



Unibet Group plc
Interim report January - March 2012

- ▶ **Gross winnings revenue was up 36 per cent and amounted to GBP 51.1 (37.5) million for the first quarter of 2012.**
- ▶ **Successfully completed acquisition of Betchoice Corporation Pty Ltd for an initial AUD 20 million (GBP 13.6 million).**
- ▶ **Expansion into regulated markets has resulted in a betting duty of GBP 3.0 million during the first quarter. M&A transaction costs were GBP 0.8 million and amortisation of acquired assets were GBP 0.8 million for the first quarter.**
- ▶ **EBITDA for the first quarter of 2012 were GBP 15.3 (13.1) million.**
- ▶ **Profit from operations for the first quarter of 2012 amounted to GBP 11.6 (11.2) million.**
- ▶ **Profit before tax for the first quarter of 2012 amounted to GBP 11.7 (10.8) million.**
- ▶ **Profit after tax for the first quarter of 2012 amounted to GBP 10.8 (10.0) million.**
- ▶ **Earnings per share were GBP 0.381 (0.355) for the first quarter of 2012.**
- ▶ **Operating cash flow before movements in working capital amounted to GBP 15.3 (13.2) million for the first quarter 2012.**
- ▶ **Number of active customers at the end of the quarter was 403,788 (328,054).**

“Continuing Unibet’s transformation”

“Unibet delivered another all-time high in Gross Winnings powered by its market-leading sportsbook, Kambi Sports Solutions. Unibet is at the same time undergoing a rapid transformation as more than 15 per cent of the gross winnings revenue in the quarter came from re-regulated markets. This development will continue through the year as Australia and Bet24 are fully included and as our recent licence in Belgium is activated.”

“April revenues continued the positive development from the first quarter and recorded strong organic growth compared to the prior year.”

“We continue to develop the business in line with our strategy and through the acquisitions of EurosportBet, the Betchoice and Bet24 we are significantly increasing our exposure to re-regulated markets and at the same time taking us into major new markets outside Europe. These strategic developments will change our business model over time and I am confident that we are building a position to be a market-leader in the next generation online market” says Henrik Tjärnström, CEO of Unibet.

Today, Wednesday 9 May 2012, Unibet’s CEO Henrik Tjärnström will host a presentation in English at FinancialHearings, Operaterrassen in Stockholm at 9.00 CET.

Please go to www.financialhearings.com to sign in.
For those who would like to participate in the telephone conference in connection with the presentation, the telephone number is +44 (0) 20 7108 6303 US: +1 8666 765870

Please call in, well in advance and register.

The presentation is also web cast live on www.unibetgroupplc.com.

SUMMARY TABLE Q1 AND PRIOR YEAR

This table and the contents of this announcement are unaudited

GBP	2012 GBPm	Q1	2011 GBPm	Full Year 2011 GBPm	Rolling 12 months ³ GBPm
Gross winnings Revenue	51.1		37.5	154.4	168.0
EBITDA ¹	15.3		13.1	48.0	50.1
Profit before tax	11.6		10.8	38.1	38.9
Profit after tax	10.8		10.0	35.5	36.2
Net cash ²	19.0		21.9	14.3	
Bank debt	6.7		7.1	0.0	
	GBP		GBP	GBP	GBP
EBITDA ¹ per share	0.540		0.464	1.718	1.794
Earnings per share	0.381		0.355	1.270	1.297
Net cash ² per share	0.673		0.774	0.506	

SEK	2012 SEKm	Q1	2011 SEKm	Full Year 2011 SEKm	Rolling 12 months ³ SEKm
Gross winnings Revenue	542.3		389.5	1,606.6	1,759.5
EBITDA ¹	161.9		136.2	499.3	524.9
Profit before tax	123.3		112.3	396.5	407.5
Profit after tax	114.2		104.1	369.1	379.2
Net cash ²	201.9		221.0	152.6	
Bank debt	70.8		71.4	0.0	
	SEK		SEK	SEK	SEK
EBITDA ¹ per share	5.727		4.822	17.882	18.788
Earnings per share	4.041		3.684	13.220	13.577
Net cash ² per share	7.142		7.820	5.399	

	No.		No.		No.
Active customers	403,788		328,054		
Registered customers (million)	6.5		5.3		6.2

Currency rate Q1 12 average: 1GBP = 10.608 SEK, Q1 11 average: 1GBP = 10.387 SEK, FY 11 average 1GBP = 10.406 SEK, 31 Mar 2012 1GBP = 10.607 SEK, 31 Mar 2011 1GBP = 10.109 SEK.

Unibet reports in GBP and the SEK figures presented above at period end rates are for information only and are not intended to comply with IFRS.

¹ EBITDA = Profit from operations before depreciation & amortisation.

² Net cash = Total cash at period end less customer balances.

³ Rolling 12 months consists of 12 months ended 31 March 2012.

Unibet Group plc Significant events during the first quarter of 2012

On 1 January 2012, Unibet launched unibet.dk and mariacasino.dk on the Danish market.

On 2 January 2012, Unibet launched unibet.fr on the French market.

On 7 February 2012, Unibet signed an agreement to acquire Betchoice Corporation Pty Ltd, one of Australia's leading independent online corporate bookmakers for AUD 20 million. Betchoice operates a range of sports and racing betting products in the Australian market through its web site www.betchoice.com. The acquisition was finalised on 29 February 2012.

On 8 February 2012, Unibet received a Belgian sports betting license in accordance with the New Belgian Gaming Act.

On 8 February 2012, a Swedish customer won EUR 7.6 million on a Unibet jackpot game. This was the biggest win ever at Unibet and the fifth player to join the exclusive 'millionaire's club' since 2009.

Significant events after the period end

On 11 April 2012, Unibet signed an agreement to acquire the business and certain operating assets of Bet24. Legal completion of the transaction occurred on 3 May 2012.

Market

Unibet is one of Europe's leading companies in Moneytainment, operating in 27 different languages in more than 100 countries. Unibet offers sports betting, live betting, poker, casino and games on **unibet.com**, **unibet.it** and **unibet.dk** and sports betting, live betting, French horse racing and poker on **unibet.fr**. On **unibet.com.au** sports betting and racing is offered to the Australian market. Through the Maria brand, Unibet offers bingo, lotteries,

poker, casino and games on **maria.com** and casino and poker on **mariacasino.dk**. Unibet also offers Sportsbook B2B services through Kambi Sports Solutions, **kambi.com**.

While Unibet's core markets are in Europe it addresses global markets, excluding only territories that Unibet has consistently blocked for legal reasons such as the USA, Turkey and similar markets.

Current products

Sports betting

Unibet's sports betting service offers a comprehensive range of odds on a variety of international and local sports events, to a worldwide customer base 24 hours a day, 7 days a week. Bets are placed via Unibet's sites or via wireless devices.

During the first quarter of 2012, the big domestic football leagues and cup competitions continued and the Champions League and Europa League reached the knockout stages. One of the highlights was the Europa League match between Ajax and Manchester United which the Dutch team won 2-0, and the Spanish Cup Quarter Final second leg between Barcelona and Real Madrid which finished 2-2. Other popular pre-match sports betting during the quarter were ice hockey, tennis and basketball.

Livebetting in the first quarter 2012 was boosted by the Australian Open tennis major where Unibet streamed action every day from all the top courts. The final between Djokovic and Nadal was the biggest live event of the first quarter, a marathon match eventually won by Djokovic in 5 sets. Also popular was the Champions League match between Chelsea and Napoli, which Chelsea won 4-2 after extra time.

Unibet streamed over 3,500 events in the first quarter providing pictures from all around the globe, at all hours of the day, from high profile events such as the English Carling Cup final, Masters Series tennis, Italian Serie A, Spanish La Liga and Dutch Eredivisie football leagues, to events such as snooker, darts, table tennis and volleyball, which provide betting opportunities during traditionally quiet periods.

The majority of Unibet's business is largely determined by the seasons for key sports such as the major football leagues in Europe, major golf and tennis tournaments as well as ice hockey leagues in the Nordic countries and North America. The seasonality of these events results in fluctuations in the Group's quarterly performance, especially in terms of Gross Turnover. However, quarterly results can also vary widely, due to the volatility of gross winnings margins in sports betting. Please also refer to page 4.

Casino

The Unibet browser casino features more than 200 games including Roulette, Blackjack, Video Slots and Video Poker. Customers are offered a variety of promotions including free spin offers and regular tournaments with large prize pools. The first quarter 2012 saw the launch of 'Casino Black' a second casino tab offering players more game choice than ever before. The Unibet exclusive game 'Dallas' remains popular and three exciting new games Starburst, Subtopia and Crime Scene were also launched. One lucky Swedish player set a new Unibet record by winning a jackpot of EUR 7.6 million.

Unibet's Live Casino offers players authentic casino action in their own home, featuring high quality live video streaming of real casino croupiers. In the first quarter 2012 a new and exclusive Unibet casino area with additional tables and high profile branding was launched. The Live Casino was also launched in Denmark making Unibet the first operator to do so since regulation.

Games

Unibet Games offers players keno and lottery style games, alongside slots and hi-lo and exclusive games such as Kronautomaten and Dallas.

The first quarter 2012 saw the launch of four exciting new games Reely Roulette, Immortal Romance, Mad Mad Monkey and Land of Lemuria. The ongoing focus is to hand pick the best games for the players while developing more new and exclusive content.

Bingo

The first quarter 2012 delivered strong results in line with the upward trend of the industry for Unibet Bingo. This was achieved through the continued development of the product and the launch of various features, games and strong marketing campaigns.

Poker

During the first quarter a new poker lobby was delivered which has improved marketing and cross-sell capabilities. Fast Poker went live on 4 April and the first indications have been positive.

Unibet Open Prague was a great success and the 5th anniversary in December 2012 has been confirmed for St Martens (Caribbean). There are many great promotional opportunities around this event which we will run until mid-November.

Even with the poker industry finding it more difficult to monetise its players effectively and hit a decent bottom line, Unibet Poker is achieving relatively good results and is very confident that the casual player strategy will succeed by putting Unibet in a very strong position for the future.

Maria

Maria.com is the female brand in the Unibet family. Apart from the site Maria.com, the business area also drives a white label network with several bingo and casino brands, such as Bingo.se, Bingo.com, VioletCasino.com and AmorBingo.com. While both Bingo and Casino drive acquisition numbers and new customers, Casino & Games are the main source of revenues, representing almost 70 per cent of reported gross winnings revenue for Maria.

On 1 January 2012 MariaCasino.dk was successfully launched in Denmark. The first quarter 2012 has also seen the launch of new TV commercials in all of the Nordic markets, focusing on repositioning Maria.com as a full soft-gaming house, rather than focusing on Bingo as before.

Financial review

The financial information has been presented in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the European Union. The accounting policies remain unchanged from the last published Annual Report and Accounts for the year ended 31 December 2011.

Gross winnings revenue

Gross winnings revenue on sports betting represents the net receipt of bets and payouts for the financial period, as reduced for Free Bets. Free Bets are bonuses granted or earned in connection with customer acquisition.

Gross winnings revenue for sports betting amounted to GBP 24.4 (15.4) million for the first quarter of 2012. Gross winnings for other products amounted to GBP 26.7 (22.1) million for the first quarter of 2012.

Live betting accounted for 58 (57) per cent of turnover on sports betting, excluding Free Bets, in the first quarter of 2012. Live betting accounted for 34 (34) per cent of gross winnings on sports betting, excluding Free Bets, in the first quarter of 2012.

Please refer to page 12 and 13 for more information on gross winnings revenue per region and products.

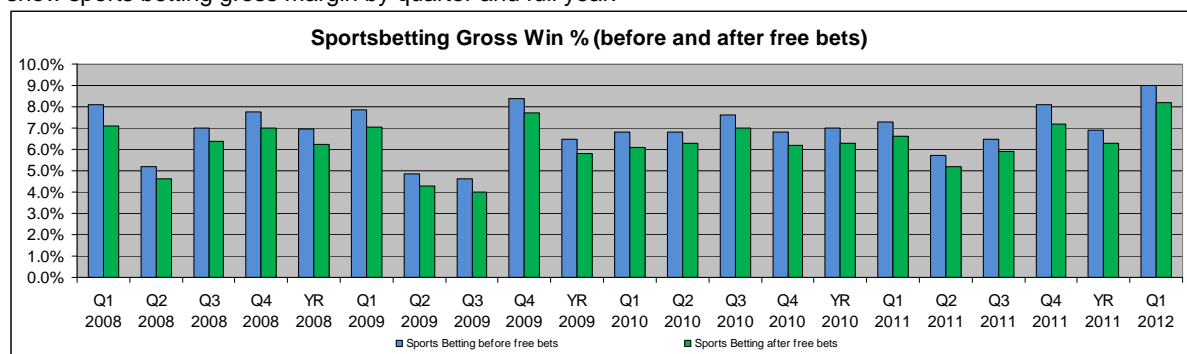
Gross margin on sports betting

The gross margin for sports betting excluding live betting and before Free Bets for the first quarter 2012 was 14.2 (11.3) per cent.

The gross margin for total sports betting for the first quarter 2012 before Free Bets was 9.0 (7.3) per cent. The gross margin for total sports betting for the first quarter 2012 after Free Bets was 8.2 (6.6) per cent.

Please refer to page 13 for more information on sports betting margins.

Sports betting gross margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events. However, over time these margins will even out. This can be seen in the table below. The bars show sports betting gross margin by quarter and full year.



Customers

At 31 March 2012 the number of active customers amounted to a total of 403,788 (328,054) compared with 400,697 at 31 December 2011. An active customer is defined as one placing a bet in the last three months. The

The total number of registered customers continued to increase during the quarter to 6.5 million (5.3 million) at 31 March 2012, whilst at 31 December 2011, over 6.2 million customers were registered.

Cost of sales

Cost of sales includes revenue share, affiliate costs, betting duties and other costs of sales. The betting duties were GBP 3.0 (0.2) million and the marketing related revenue share and affiliate cost amounted to GBP 3.1 (3.2) million.

Gross profit

Gross profit for the first quarter of 2012 was GBP 44.6 (33.8) million.

Operating costs (Marketing and Administrative expenses)

Operating costs include all indirect costs of running the business and are a combination of activity-related costs and fixed costs such as marketing, salaries and other administrative expenses etc. During the first quarter of 2012, ongoing operating costs were GBP 33.0 (22.6) million. Of the operating costs in the first quarter, GBP 11.6 (8.1) million were marketing costs and GBP 8.3 (5.9) million were salaries. Of the administrative expenses in the first quarter 2012, GBP 3.8 (2.1) million is related to the B2B business. Kambi's capital expenditure in the first quarter was GBP 1.6 (0.9) million, of which GBP 1.1 (0.6) million is related to the B2B business.

FX rates

The following FX rates are those used for translation of the Group's SEK, NOK, DKK and EUR Balance Sheet items into GBP as per 31 March 2012:

Balance sheet rates:

Rate to GBP	31-Dec-11	31-Mar-12	Q1 Delta
SEK	10.669	10.607	-0.6%
NOK	9.283	9.119	-1.8%
EUR	1.197	1.199	0.2%
DKK	8.900	8.922	0.2%

P&L averages for the quarter:

Rate to GBP	Avg Q4 11	Avg Q1 12	Q1 Delta
SEK	10.607	10.608	0.0%
NOK	9.056	9.091	0.4%
EUR	1.167	1.198	2.6%
DKK	8.682	8.910	2.6%

EBITDA and Profit from operations

Earnings before interest, tax and depreciation and amortisation (EBITDA) for the first quarter of 2012 were GBP 15.3 (13.1) million. Profit from operations for the first quarter of 2012 were GBP 11.6 (11.2) million.

Development and acquisition costs of intangible assets

In the first quarter of 2012, expenditure of GBP 3.8 (2.6) million has been capitalised. This is excluding any amounts acquired in respect of the Betchoice acquisition.

Finance cost

Finance costs for the first quarter 2012 were 0.0 (0.3) million.

Profit before tax

Profit before tax for the first quarter 2012 was GBP 11.7 (10.8) million.

Profit after tax

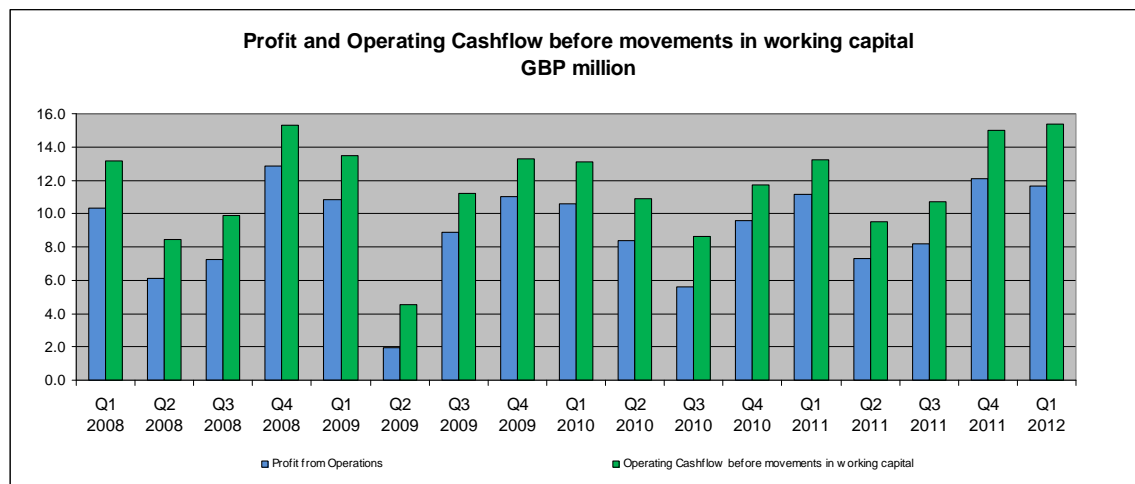
Profit after tax for the first quarter 2012 was GBP 10.8 (10.0) million.

Financial position and cash flow

The gross cash in hand position at the end of the first quarter 2012 stood at GBP 48.2 (49.0) million while at the beginning of the quarter it was GBP 41.8 (38.5) million.

The net cash inflow for the first quarter 2012 was GBP 6.3 (9.6) million. On 22 February 2012, Unibet used EUR 12 million of the Revolving Credit Facility, to partially finance the Betchoice acquisition, which represented a net cash outflow of GBP 11.7 million. Unibet repaid EUR 4 million of the Revolving Credit Facility during March 2012, and therefore as at 31 March 2012, EUR 8 million (GBP 6.7 million) of the Revolving Credit Facility was utilised.

The operating cash flow before movements in working capital amounted to GBP 15.3 (13.2) million for the first quarter 2012. The quarterly profit from operations and operating cash flow before movements in working capital is shown in the table below.



Principal risks

Unibet manages strategic, operational and financing risks on a group-wide basis. The principal risks affecting the Group are market risks, foreign exchange risks, credit risks and legal risks. Further details of Unibet's risk management and risks arising from the legal environment can be found on pages 22-25 and pages 40-41 of the Annual Report for the year ended 31 December 2011, available from www.unibetgroupplc.com.

Employees

Unibet had 642 (517) employees equivalent to 606 (472) full time employees at 31 March 2012, compared to 572 (equivalent to 537 full time employees) at 31 December 2011. Of these, 169 (142) equivalent to 150 (118) full time, compared to 160 (equivalent to 139 full time employees) are employees at 31 December 2011 related to the B2B Sportsbook Kambi Sports Solutions.

Exercise of options

In the exercise window ending on 15 March 2012, under the rules of Unibet Group plc Executive Option Scheme, 175,809 share options were exercised.

Of these options 10,750 options were exercised by issuing 10,750 ordinary shares with a par value of GBP 0.005, and in connection with this exercise, Unibet has received GBP 150,842.50 which has, in full, been taken to equity.

The remaining 165,059 options were exercised using SDRs from Unibet's Share buy back programme initiated in 2007 and 2011. In connection with this exercise, Unibet has received GBP 2,445,099.43, which has, in full, been taken to equity.

Following this exercise, the total amount of shares outstanding in Unibet Group plc is 28,268,788 ordinary shares with a par value of GBP 0.005. Of the total outstanding shares, 411,533 from the Share buy back programme initiated in 2007 and 2011 continue to be held by Unibet.

Forthcoming financial reporting timetable

Interim Report January – June 2012
Interim Report January – September 2012
Full Year Report 2012

15 August 2012
31 October 2012
13 February 2013

The Board of Directors and the CEO certify that the interim report gives a fair view of the Group's operations, financial position and results of operations, and describes the significant risks and uncertainties facing the Group.

Malta, 9 May 2012

Henrik Tjärnström
CEO

For further information please contact:

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This report is unaudited.

*Unibet Group plc
Company number C 39017
Registered in Malta.*

About Unibet

Unibet was founded in 1997 and is an online gambling company listed on NASDAQ OMX Nordic Exchange in Stockholm. Unibet is one of the largest privately-owned gambling operators in the European market and provides services in 27 languages through www.unibet.com, www.unibet.dk, www.unibet.fr, www.unibet.it, www.unibet.com.au, www.maria.com and www.mariacasino.dk. Today, Unibet has 6.5 million customers in over 100 countries. Unibet is a member of the EGBA, European Gaming and Betting Association, RGA, Remote Gambling Association in the UK and is audited and certified by eCOGRA in relation to responsible and fair gaming.

More information about Unibet Group plc can be found on www.unibetgroupplc.com

CONSOLIDATED INCOME STATEMENT
GBP '000

	Unaudited Q1 2012	Unaudited Q1 2011	Audited Full Year 2011
Continuing operations:			
Gross Winnings Revenue	51,124	37,497	154,396
Betting duties	-2,958	-245	-1,889
Other cost of sales	-3,591	-3,469	-13,371
Cost of Sales	-6,549	-3,714	-15,260
Gross profit	44,575	33,783	139,136
Marketing costs	-11,599	-8,121	-35,359
M&A transaction costs	-780	-	-600
Amortisation of acquired assets	-794	-	-87
Foreign currency loss on operating items	-423	-39	-2,339
Other administrative expenses	-19,330	-14,449	-61,969
Administrative expenses	-21,327	-14,488	-64,995
PROFIT FROM OPERATIONS	11,649	11,174	38,782
Finance costs net credit/(expense)	40	-303	-856
Finance income	39	55	278
Share of loss from Associate	-4	-110	-101
Profit before tax	11,724	10,816	38,103
Income tax expense	-959	-794	-2,632
PROFIT FOR THE PERIOD	10,765	10,022	35,471
Earnings per share (GBP)	0.381	0.355	1.270
Weighted average number of ordinary shares <i>for the purposes of calculating basic earnings per share</i>	28,259,810	28,258,038	27,920,660
Fully diluted earnings per share (GBP)	0.379	0.355	1.270
Weighted average number of ordinary shares <i>for the purposes of calculating diluted earnings per share</i>	28,385,594	28,258,038	27,920,660

**CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**
GBP '000

	Unaudited Q1 2012	Unaudited Q1 2011	Audited Full Year 2011
Profit for the period	10,765	10,022	35,471
Other comprehensive income			
Currency translation adjustments taken to equity	412	2,069	-2,240
COMPREHENSIVE INCOME FOR THE PERIOD	11,177	12,091	33,231

CONSOLIDATED BALANCE SHEET**GBP '000****ASSETS****Non-current assets**

	Unaudited 31 Mar 2012	Unaudited 31 Mar 2011	Audited 31 Dec 2011
Goodwill	140,841	128,837	131,251
Other intangible assets	41,826	27,911	34,530
Investment in associate	1,278	1,273	1,282
Property, plant and equipment	5,135	2,604	3,820
Deferred tax assets	642	293	556
	<u>189,722</u>	<u>160,918</u>	<u>171,439</u>

Current assets

Trade and other receivables	14,705	13,149	10,699
Income tax recoverable	9,367	10,220	9,367
Cash and cash equivalents	48,230	48,975	41,806
	<u>72,302</u>	<u>72,344</u>	<u>61,872</u>

TOTAL ASSETS

	<u><u>262,024</u></u>	<u><u>233,262</u></u>	<u><u>233,311</u></u>
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EQUITY AND LIABILITIES**Capital and reserves**

Share capital	141	141	141
Share premium	74,195	74,044	74,044
Currency translation reserve	13,952	17,849	13,540
Reorganisation reserve	-42,889	-42,889	-42,889
Retained earnings	127,613	104,863	114,315
TOTAL EQUITY	<u>173,012</u>	<u>154,008</u>	<u>159,151</u>

Non-current liabilities

Contingent consideration payable	3,172	-	-
Deferred tax liabilities	595	693	818
	<u>3,767</u>	<u>693</u>	<u>818</u>

Current liabilities

Trade and other payables	33,886	28,158	31,868
Customer balances	29,196	27,115	27,503
Deferred income	2,140	1,947	1,395
Tax liabilities	13,351	14,274	12,576
Borrowings	6,672	7,067	-
	<u>85,245</u>	<u>78,561</u>	<u>73,342</u>

Total liabilities

	<u>89,012</u>	<u>79,254</u>	<u>74,160</u>
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TOTAL EQUITY AND LIABILITIES

	<u><u>262,024</u></u>	<u><u>233,262</u></u>	<u><u>233,311</u></u>
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
GBP '000
OPENING BALANCE AT BEGINNING OF PERIOD
Comprehensive income

 Profit for the period
 Other comprehensive income:
 Translation adjustment

Transactions with owners

 Share options - value of employee services
 Treasury share buy-back
 Proceeds from shares issued
 Disposal of treasury shares
 Dividend paid

CLOSING BALANCE AT END OF PERIOD
CONSOLIDATED CASH FLOW STATEMENT
GBP '000
OPERATING ACTIVITIES

 Profit from operations
 Adjustments for:
 Depreciation of property, plant and equipment
 Amortisation of intangible assets
 Loss on disposal of property, plant & equipment
 Share-based payment
Operating cashflows before movements in working capital

 (Increase)/decrease in receivables
 Increase/(decrease) in payables
 Cash generated from operations

Income taxes paid net of tax refunded

NET CASH GENERATED FROM OPERATING ACTIVITIES
INVESTING ACTIVITIES

 Acquisition of subsidiaries, net of cash acquired and debt assumed
 Interest received
 Interest paid
 Purchases of property, plant and equipment
 Development and acquisition costs of intangible assets
NET CASH USED IN INVESTING ACTIVITIES
FINANCING ACTIVITIES

 Dividends paid
 Treasury share buy-back
 Proceeds of issue of new shares for share options
 Disposal of treasury shares
 Proceeds from borrowings
 Repayment of borrowings
NET CASH GENERATED/(USED IN) FINANCING ACTIVITIES
NET INCREASE IN CASH AND CASH EQUIVALENTS
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

Effect of foreign exchange rate changes

CASH AND CASH EQUIVALENTS AT END OF PERIOD

	Unaudited Q1 2012	Unaudited Q1 2011	Audited Full Year 2011
OPENING BALANCE AT BEGINNING OF PERIOD	159,151	141,795	141,795
Comprehensive income			
Profit for the period	10,765	10,022	35,471
Other comprehensive income:			
Translation adjustment	412	2,069	-2,240
	<u>11,177</u>	<u>12,091</u>	<u>33,231</u>
Transactions with owners			
Share options - value of employee services	88	122	496
Treasury share buy-back	-	-	-4,635
Proceeds from shares issued	151	-	-
Disposal of treasury shares	2,445	-	28
Dividend paid	-	-	-11,764
	<u>2,684</u>	<u>122</u>	<u>-15,875</u>
CLOSING BALANCE AT END OF PERIOD	<u><u>173,012</u></u>	<u><u>154,008</u></u>	<u><u>159,151</u></u>
CONSOLIDATED CASH FLOW STATEMENT			
GBP '000			
OPERATING ACTIVITIES			
Profit from operations	11,649	11,174	38,782
Adjustments for:			
Depreciation of property, plant and equipment	566	416	1,720
Amortisation of intangible assets	3,043	1,527	7,478
Loss on disposal of property, plant & equipment	-	-	35
Share-based payment	88	122	496
Operating cashflows before movements in working capital	<u>15,346</u>	<u>13,239</u>	<u>48,511</u>
(Increase)/decrease in receivables	-3,311	-1,188	1,749
Increase/(decrease) in payables	1,888	910	-444
Cash generated from operations	<u>13,923</u>	<u>12,961</u>	<u>49,816</u>
Income taxes paid net of tax refunded	-504	-301	-3,125
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u><u>13,419</u></u>	<u><u>12,660</u></u>	<u><u>46,691</u></u>
INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired and debt assumed	-11,715	-	-3,298
Interest received	39	19	278
Interest paid	-53	-3	-636
Purchases of property, plant and equipment	-871	-448	-2,875
Development and acquisition costs of intangible assets	-3,870	-2,647	-11,884
NET CASH USED IN INVESTING ACTIVITIES	<u><u>-16,470</u></u>	<u><u>-3,079</u></u>	<u><u>-18,415</u></u>
FINANCING ACTIVITIES			
Dividends paid	-	-	-11,764
Treasury share buy-back	-	-	-4,635
Proceeds of issue of new shares for share options	151	-	-
Disposal of treasury shares	2,445	-	28
Proceeds from borrowings	10,127	-	-
Repayment of borrowings	-3,333	-	-7,095
NET CASH GENERATED/(USED IN) FINANCING ACTIVITIES	<u><u>9,390</u></u>	<u><u>-</u></u>	<u><u>-23,466</u></u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>6,339</u>	<u>9,581</u>	<u>4,810</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u><u>41,806</u></u>	<u><u>38,495</u></u>	<u><u>38,495</u></u>
Effect of foreign exchange rate changes	85	899	-1,499
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>48,230</u></u>	<u><u>48,975</u></u>	<u><u>41,806</u></u>

KEY RATIOS

This table is for information only and does not form part of the condensed financial statements

	Unaudited Q1 2012	Unaudited Q1 2011	Audited Full Year 2011
Operating margin, % (Profit from operations/revenue for the period)	23%	30%	25%
Return on total assets, % (Profit after tax/average of opening and closing assets for the period)	4%	4%	16%
Return on average equity, % (annualised) (EBIT/average of opening and closing equity for the period)	28%	30%	26%
Equity/assets ratio, %	66%	66%	68%
EBITDA margin, %	30%	35%	31%
Net cash/EBITDA (rolling 12 months basis)	0.380	0.497	0.298
Employees at period end	642	517	572
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	1.706	1.733	1.479
Net cash less debt per share (GBP) (total cash at period end less customer liabilities and borrowings/number of shares at end of period)	0.437	0.523	0.506
Operating cashflow before movements in working capital per share (GBP)	0.543	0.469	1.737
Earnings per share (GBP)	0.381	0.355	1.270
Fully diluted earnings per share (GBP)	0.379	0.355	1.270
Number of shares at period end ¹	28,268,788	28,258,038	28,258,038
Fully diluted number of shares at period end	28,440,966	28,258,038	28,292,637
Average number of shares	28,259,810	28,258,038	27,920,660
Average number of fully diluted shares	28,385,594	28,258,038	27,920,660

¹ During Q1 2012, 10,750 shares were issued by the company as a result of the exercise of employee share options, leaving a total of 28,268,788 issued shares as at 31 March 2012. 165,059 of the balance of shares bought back by the company in previous years, were used in connection with the the exercise of of share options by employees during Q1 2012, bringing the balance of repurchased shares to 411,533 as at 31 March 2012.

The intention of the Board is either to cancel the shares (requires further shareholder approval), use as consideration for an acquisition, or issue to employees under Share Option programmes.

NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

These tables are for information only and do not form part of the condensed financial statements

Gross Winning Revenue (GWR) by region

(based on country of residence of customer)
GBP '000

SPORTS BETTING

Sports Betting GWR by region	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2011 FY	2010 FY
Nordics	11,258	10,188	7,574	6,669	8,435	32,866	26,721
Western Europe	8,888	5,534	4,688	3,704	4,857	18,783	26,153
Central, Eastern and Southern Europe	2,715	2,409	2,390	1,736	1,888	8,423	7,754
Other	1,524	516	-160	183	262	801	2,011
Total GWR	24,385	18,647	14,492	12,292	15,442	60,873	62,639
Quarterly Year-on-Year & Year-on-Year GWR growth %							
Nordics	33%	40%	16%	-6%	-45%	23%	42%
Western Europe	83%	32%	13%	-58%	-46%	-28%	10%
Central, Eastern and Southern Europe	44%	33%	10%	31%	-23%	9%	9%
Other	483%	1047%	-123%	-78%	-39%	-60%	36%
Total	58%	40%	7%	-32%	-12%	-3%	22%

OTHER PRODUCTS - CASINO, POKER, & OTHER GAMES

Other products GWR by region	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2011 FY	2010 FY
Nordics	15,626	15,814	14,160	13,653	13,039	56,666	46,121
Western Europe	7,631	6,849	6,077	5,547	5,623	24,096	26,842
Central, Eastern and Southern Europe	3,127	3,002	2,660	2,673	3,122	11,457	10,692
Other	355	432	421	180	271	1,304	1,185
Total	26,739	26,097	23,318	22,053	22,055	93,523	84,840
Quarterly Year-on-Year & Year-on-Year GWR growth %							
Nordics	20%	21%	34%	25%	13%	23%	3%
Western Europe	36%	27%	38%	-33%	-36%	-10%	-10%
Central, Eastern and Southern Europe	0%	-11%	22%	69%	-12%	7%	-7%
Other	31%	35%	74%	-51%	5%	10%	47%
Total	21%	18%	34%	4%	-9%	10%	-3%

TOTAL

Total GWR by region	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2011 FY	2010 FY
Nordics	26,884	26,002	21,734	20,322	21,474	89,532	72,842
Western Europe	16,519	12,383	10,765	9,251	10,480	42,879	52,995
Central, Eastern and Southern Europe	5,842	5,411	5,050	4,409	5,010	19,880	18,446
Other	1,879	948	261	363	533	2,105	3,196
Total GWR	51,124	44,744	37,810	34,345	37,497	154,396	147,479
Share of total GWR %							
Nordics	53%	58%	57%	59%	57%	58%	49%
Western Europe	32%	28%	29%	27%	28%	28%	36%
Central, Eastern and Southern Europe	11%	12%	13%	13%	13%	13%	13%
Other	4%	2%	1%	1%	1%	1%	2%
Quarterly Year-on-Year & Year-on-Year GWR growth %							
Nordics	25%	28%	27%	13%	24%	23%	14%
Western Europe	58%	29%	26%	-46%	-41%	-19%	-1%
Central, Eastern and Southern Europe	17%	5%	16%	52%	-17%	8%	-1%
Other	252%	159%	-72%	-70%	-22%	-34%	39%
Total	36%	26%	22%	-12%	-10%	5%	7%

NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

These tables are for information only and do not form part of the condensed financial statements

Gross Winning Revenue (GWR) by product

(after Free Bets)

GBP '000

Total GWR by product	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2011 FY	2010 FY
Sports Betting	24,385	18,647	14,492	12,292	15,442	60,873	62,639
Casino	19,058	18,699	16,217	15,142	14,567	64,625	54,146
Poker	4,271	3,558	3,114	2,990	3,979	13,641	20,210
Other Games	3,410	3,840	3,987	3,921	3,509	15,257	10,484
Total	51,124	44,744	37,810	34,345	37,497	154,396	147,479

Share of total GWR %

(after Free Bets)

Sports Betting	48%	42%	38%	36%	41%	39%	42%
Casino	37%	41%	43%	44%	39%	42%	37%
Poker	8%	8%	8%	9%	11%	9%	14%
Other Games	7%	9%	11%	11%	9%	10%	7%

Quarterly Year-on-Year & Year-on-Year GWR growth %

(after Free Bets)

Sports Betting	58%	40%	7%	-32%	-12%	-3%	22%
Casino	31%	29%	46%	6%	2%	19%	4%
Poker	7%	-20%	-21%	-36%	-44%	-33%	-17%
Other Games	-3%	22%	67%	76%	29%	46%	-1%

Sports Betting gross margins

GBP '000

	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2011 FY	2010 FY
Sports Betting Stakes	297,041	257,755	244,699	236,342	232,935	971,731	987,430
<i>Sports Betting Gross Winnings Revenue (GWR):</i>							
Live Betting	8,935	7,580	7,076	5,900	5,750	26,306	24,263
<i>Live Betting Margin %</i>	5.2%	5.3%	4.7%	4.1%	4.3%	4.6%	4.5%
<i>Live Betting Share %</i>	33.5%	36.4%	44.5%	44.2%	33.7%	39.2%	35.3%
Pre-game Betting	17,722	13,256	8,830	7,454	11,318	40,858	44,526
<i>Pre-game Betting Margin %</i>	14.2%	11.7%	9.3%	8.0%	11.3%	10.2%	9.9%
<i>Pre-game Betting Share %</i>	66.5%	63.6%	55.5%	55.8%	66.3%	60.8%	64.7%
Total before Free Bets	26,657	20,836	15,906	13,354	17,068	67,164	68,789
<i>Sports Betting margin % (before Free Bets)</i>	9.0%	8.1%	6.5%	5.7%	7.3%	6.9%	7.0%
Free Bets	-2,272	-2,189	-1,414	-1,062	-1,626	-6,291	-6,150
Total after Free Bets	24,385	18,647	14,492	12,292	15,442	60,873	62,639
<i>Sports Betting margin % (after Free Bets)</i>	8.2%	7.2%	5.9%	5.2%	6.6%	6.3%	6.3%