

Kindred Group plc

Interim report January – March 2017 (unaudited)

First quarter highlights

- **New all-time high in Gross winnings revenue of GBP 153.2 (122.4) million for the first quarter of 2017, an increase of 25 per cent.**
- **Underlying EBITDA for the first quarter of 2017 was GBP 30.3 (28.5) million.**
- **Profit before tax for the first quarter of 2017 amounted to GBP 18.2 (22.5) million. This includes M&A costs of GBP 0.6 million related to the proposed acquisition of 32Red and non-cash items of GBP 3.9 million as shown in the income statement.**
- **Profit after tax for the first quarter of 2017 amounted to GBP 16.3 (20.0) million.**
- **Earnings per share for the first quarter of 2017 were GBP 0.072 (0.087).**
- **Number of active customers during the quarter was 1,232,915 (1,007,365).**

“Despite strong comparatives, new all-time high in active customers and Gross winnings revenue.”

“Despite a low sports betting margin over the first quarter of 2017 (6.0 per cent after free bets), Gross winnings revenue grew by 25 per cent to GBP 153.2 million (+ 12 per cent in constant currencies). Active customers reached an all-time high this quarter at over 1.2 million customers, proving our ability to acquire and retain customers. Sports betting turnover increased by 32 per cent and reached an all-time high at GBP 1.1 billion, which equated to a growth of around 19 per cent in constant currencies.”

“In line with the fundamentals of our growth strategy, we have continued to invest heavily in marketing for both new customer acquisition and reactivation of existing customers. While this may reduce profits in the short term, we are confident that, as we have previously proven, this will drive sustained growth in Gross winnings revenue and profits. For the quarter, marketing was 29 per cent of Gross winnings revenue; however, for the full year we still expect it to average a few percentage points below 30 per cent.”

“Our cash offer for the UK operator 32Red will, from the second quarter of 2017, instantaneously increase both revenue and profit from the very significant UK market. This acquisition will supplement our current strong organic growth and will significantly increase the Group's overall growth in the future, especially during the first twelve months. The acquisition will also bring new expertise into the Group and offer both immediate and future opportunities for both revenue and cost synergies.”

“In the first quarter of 2017, 34 per cent of the Group's Gross winnings revenue came from locally regulated markets. Gross winnings revenue from the mobile channel grew by 53 per cent and accounted for 73 per cent of total Gross winnings revenue in the first quarter.”

“In the period up to 23 April 2017, average daily Gross winnings revenue in GBP was 24 per cent higher compared to the same period in 2016. Adjusting for the impact of exchange rate changes, the growth was 17 per cent,” says Henrik Tjärnström, CEO of Kindred Group.

Today, Wednesday 26 April 2017, Kindred Group's CEO Henrik Tjärnström will host a presentation in English at FinancialHearings, Tändstickspalatset, Västra Trädgårdsgatan 15, in Stockholm at 9.00 CEST.

Please go financialhearings.com to sign in. The presentation is also webcast live on www.kindredgroup.com.

For those who would like to participate in the telephone conference in connection with the presentation, the telephone number is UK: +44 20 3008 9813 or in the USA: +1 855 831 5947

The Kindred Group companies hold local gambling licences in UK, France, Belgium, Denmark, Germany (Schleswig-Holstein), Italy, Australia, Ireland, Romania and Estonia. The Kindred Group also holds international gambling licences in Malta and Gibraltar. The Kindred Group pays betting duties in all markets in accordance with applicable local laws.

Q1 SUMMARY

This table and the contents of this announcement are unaudited.

GBP	Q1		Full Year 2016 GBPm	Rolling 12 months ⁴ GBPm
	2017 GBPm	2016 GBPm		
Gross winnings revenue	153.2	122.4	544.1	574.9
EBITDA ¹	29.4	27.6	120.7	122.5
Underlying EBITDA ²	30.3	28.5	123.7	125.5
Profit before tax	18.2	22.5	92.8	88.5
Profit after tax	16.3	20.0	83.9	80.2
Net cash ³	42.7	34.9	38.6	
Bank debt	42.0	26.3	54.6	
	GBP	GBP	GBP	GBP
EBITDA ¹ per share	0.129	0.120	0.527	0.536
Earnings per share	0.072	0.087	0.366	0.351
Net cash ³ per share	0.186	0.152	0.168	

SEK	Q1		Full Year 2016 SEKm	Rolling 12 months ⁴ SEKm
	2017 SEKm	2016 SEKm		
Gross winnings revenue	1,693.5	1,483.1	6,300.7	6,511.0
EBITDA ¹	325.0	334.4	1,397.7	1,388.3
Underlying EBITDA ²	334.9	345.3	1,432.4	1,422.0
Profit before tax	201.2	272.6	1,074.6	1,003.2
Profit after tax	180.2	242.3	971.6	909.4
Net cash ³	475.8	406.8	430.7	
Bank debt	468.0	306.5	609.2	
	SEK	SEK	SEK	SEK
EBITDA ¹ per share	1.428	1.456	6.101	6.073
Earnings per share	0.792	1.055	4.241	3.977
Net cash ³ per share	2.067	1.768	1.871	
	No.	No.	No.	No.
Active customers	1,232,915	1,007,365		
Registered customers (million)	16.9	14.1	16.5	

Currency rate Q1 17 average: 1 GBP = 11.054 SEK, Q1 16 average: 1 GBP = 12.117 SEK, FY 16 average: 1 GBP = 11.580 SEK, 31 December 2016: 1 GBP = 11.157 SEK, 31 March 2017: 1 GBP = 11.142 SEK, 31 March 2016: 1 GBP = 11.655 SEK

The Kindred Group reports in GBP and the SEK figures presented above at period end rates are for information only and do not necessarily comply with IFRS.

¹ EBITDA = Profit from operations before depreciation & amortisation.

² Underlying EBITDA = Profit from operations before depreciation, amortisation and items affecting comparability (excluding amortisation of acquired intangible assets and foreign currency differences on operating items).

³ Net cash = Total cash at period end less customer balances.

⁴ Rolling 12 months consists of 12 months ended 31 March 2017.

Significant events during the first quarter of 2017

On 16 January 2017, the Kindred Group became the first operator to successfully complete an external audit against the official 2014 EU Recommendation on Consumer Protection and Responsible Gambling (2014/478/EU). The independent audit was conducted by eCOGRA, a leading audit body accredited in several countries.

On 18 January 2017, the Kindred Group launched a new online casino brand directed towards high rollers in the Norwegian and Swedish market: storspiller.com and storspelare.com.



On 26 January 2017, the Group decided to suspend its application for a license in the Czech Republic and, as a result, also suspended its operations.

On 6 February 2017, the Group was awarded “Bingo Operator of the Year” at the IGA awards.

On 8 February 2017, the Group was awarded “Socially Responsible Operator of the Year” at the GIA awards.

On 23 February 2017, the boards of Kindred Group and 32Red reached an agreement on the terms of a recommended cash offer pursuant to which Kindred Group will acquire the entire issued and to be issued share capital of 32Red. This offer values 32Red at GBP 175.6m. The acquisition will be funded by new credit facilities of GBP 178 million.

On 31 March 2017, the Swedish Inquiry on Gambling presented its proposal to re-regulate Sweden’s online gambling market.

Significant events after the period end

No significant events after the period end.

Acquisition of 32Red

The boards of Kindred Group and 32Red have reached an agreement on the terms of a recommended cash offer pursuant to which Kindred Group will acquire the entire issued and to be issued share capital of 32Red. The Offer values 32Red at GBP 175.6m. 32Red is listed on the AIM market of the London Stock Exchange. The cash consideration payable under the offer will be funded by a new credit facility agreement of up to GBP 178 million, specifically for the purposes of this transaction. Completion of the transaction is subject to certain conditions including customary regulatory approvals by the relevant gambling authorities.

This transaction is consistent with Kindred’s multi-brand strategy and will further enhance Kindred’s position in the fast growing online casino market in the UK valued at GBP 2.6 billion by UK Gambling Commission for the full year 2016.

Swedish Inquiry on Gambling

The Inquiry proposes a Swedish gambling licensing system with a betting duty of 18 per cent on Gross Gaming Revenue and operators getting the opportunity to obtain licenses to provide all products. The Inquiry sets a target of (at least) 90 per cent of Swedish customers choosing to play with online gambling companies within the Swedish licensing system (a process known as channelisation). High channelisation makes the system trustworthy and enables the Swedish regulatory authorities to ensure games offered in Sweden take place in a safe and secure environment.

The Inquiry also proposes comprehensive responsible gaming measures such as compulsory registration of players, a national self-exclusion register, mandatory spending budget and Player Behavioural Tracking.

Capital Market Day, 31 May 2017

On 31 May 2017 at 8.00 - 12.00 CEST, Kindred Group is organising a Capital Markets Day at Tändstickspalatset in Stockholm for investors, analysts and financial media. Kindred Group’s CEO Henrik Tjärnström together with key managers will present current industry trends and how these impact the Group’s operational activities.

No new financial information will be disclosed. The presentations will be in English. For attendance, please send an email to CMD@kindredgroup.com to register.



Market

The Kindred Group is one of Europe's leading providers of moneytainment, operating in 20 different languages in more than 100 countries. The Group offers pre-game and live Sports betting, Racing, Poker, Casino & Games and Bingo through several subsidiaries and brands. While the Group's core markets are in Europe and Australia, it addresses global markets excluding only territories that it has consistently blocked for legal reasons such as the USA, Turkey and similar markets. The Kindred Group is a founding member of the European Gaming and Betting Association, the Remote Gambling Association in the UK and is audited and certified by eCOGRA in relation to the pan-European CEN standard on consumer protection and responsible gaming.

Current products

Sports betting

The Kindred Group's pre-game sports betting and live betting service offers a comprehensive range of odds on a variety of international and local sports events, to a worldwide customer base (excluding restricted markets as described above) 24 hours a day, 7 days a week. Bets are placed via the Group's websites and mobile apps.

The Group offered 42,039 live betting events in the first quarter of 2017 and streamed 9,801 events on desktop and mobile devices.

The majority of the Kindred Group's business is largely determined by the seasons for key sports such as the major football leagues in Europe, major golf and tennis tournaments, ice hockey leagues in the Nordic countries and North America and sports and racing in Australia. The seasonality of these events results in fluctuations in the Group's quarterly performance, especially in terms of the amounts staked. However, quarterly results can also vary widely, due to the volatility of Gross winnings margins in sports betting. Please also refer to page 5 for more information about the margin.

Casino & Games

The Kindred Group's casino product features a large variety of games from suppliers covering all of our markets. The Group's offering was expanded during the quarter with the addition of new game suppliers for both local and global use. In addition, the Group went live with one new casino brand in Norway and one in Sweden targeting players with a profound interest in Casino.

Poker

The Kindred Group's poker product is the fastest growing licensed poker network in the industry. During the quarter the focus has been on continuous development of the recently released version 2 of the poker platform including emphasis on mobile channels. The Unibet Open in London in February kicked off the 10th annual season and the entire event was successfully streamed online and yielded an all-time high in views and engagement. Next stop will be in Copenhagen on 25-28 May 2017.

Bingo

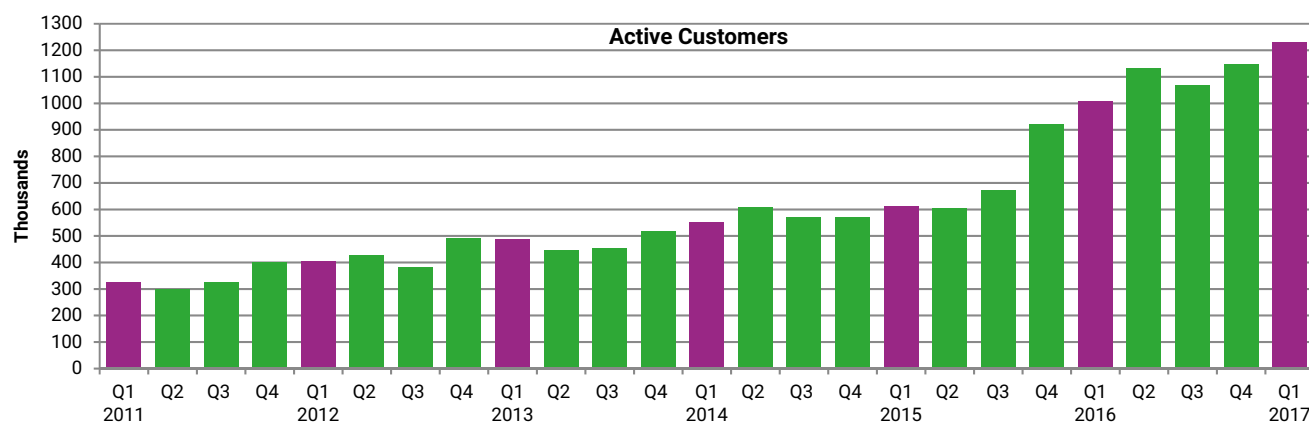
The Kindred Group's bingo product offers several different game types, big jackpots and exciting mini games. Since the launch of the Group's bespoke bingo product in summer 2015, the bingo network has continued to grow thanks to great software and innovative campaigns. During the quarter Stan James online went live on the bingo platform, the highest ever bingo jackpot was paid out and Unibet won "Online Bingo Operator of the Year" at the International Gaming Awards.

Customers

The total number of registered customers has continued to increase and amounted to 16.9 (14.1) million at 31 March 2017, whilst at 31 December 2016, over 16.5 million customers were registered.

For the first quarter of 2017 the number of active customers amounted to 1,232,915 (1,007,365), compared with 1,150,027 for the fourth quarter of 2016. An active customer is defined as one placing a bet in the last three months.





Financial review

The financial information within this report has been presented in accordance with International Financial Reporting Standards 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 2016.

Throughout the report where a comparative number is stated in brackets, this relates to the comparative of the period specified.

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 granted. Free Bets are bonuses granted or earned in connection with customer acquisition.

Gross winnings revenue for sports betting amounted to GBP 66.4 (54.1) million for the first quarter of 2017.

In the first quarter of 2017, live betting accounted for 59.8 (63.5) per cent of turnover on sports betting and 53.7 (52.2) per cent of Gross winnings revenue on sports betting.

Gross winnings revenue for other products amounted to GBP 86.8 (68.3) million for the first quarter of 2017.

Please refer to pages 13 and 14 for more information on Gross winnings revenue per region and products.

Gross margin on sports betting

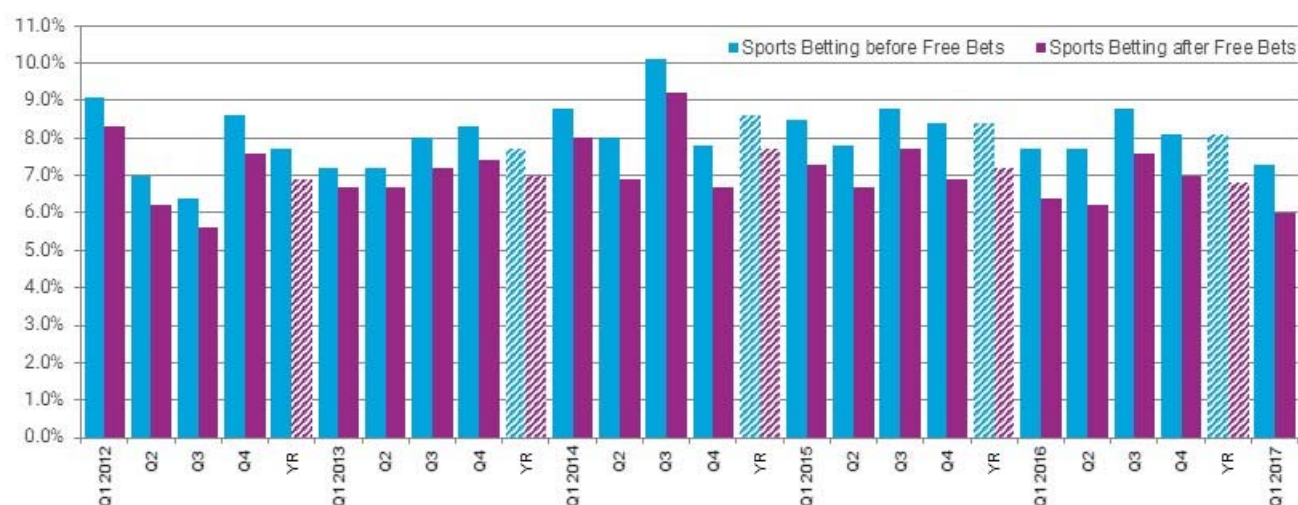
The gross margin for pre-game sports betting before Free Bets for the first quarter of 2017 was 8.4 (10.1) per cent.

The gross margin for total sports betting for the first quarter of 2017 before Free Bets was 7.3 (7.7) per cent. The gross margin for total sports betting for the first quarter of 2017 after Free Bets was 6.0 (6.4) per cent.

Please refer to page 14 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 on the next page. The bars show total sports betting gross margin by quarter and full year.



Sportsbetting Gross Win % (before and after Free Bets)**Cost of sales**

Cost of sales includes betting duties, marketing revenue share and other costs of sales. For the first quarter of 2017 betting duties were GBP 22.2 (14.2) million and marketing revenue share amounted to GBP 9.5 (6.9) million.

Gross profit

Gross profit for the first quarter of 2017 was GBP 93.8 (77.7) million.

Operating costs (marketing and administrative expenses)

Operating costs include all indirect costs of running the business and are a combination of activity-related and fixed costs such as marketing, salaries and other administrative expenses.

During the first quarter of 2017, operating costs were GBP 68.8 (52.3) million. Of the operating costs in the first quarter of 2017, GBP 34.9 (25.7) million were marketing costs and GBP 17.1 (13.6) million were salaries.

FX rates

The following FX rates are those used for translation of the Group's SEK, NOK, EUR, DKK and AUD Balance Sheet and Income Statement items into GBP:

Balance sheet rates:

Rate to GBP	31-Mar-16	31-Mar-17	YoY Delta
SEK	11.655	11.142	4.4%
NOK	11.894	10.717	9.9%
EUR	1.263	1.169	7.4%
DKK	9.413	8.694	7.6%
AUD	1.871	1.634	12.7%

Income statement averages for the quarter:

Rate to GBP	Avg Q1 16	Avg Q1 17	YoY Delta
SEK	12.117	11.054	8.8%
NOK	12.383	10.452	15.6%
EUR	1.300	1.163	10.5%
DKK	9.695	8.646	10.8%
AUD	1.987	1.634	17.8%



EBITDA and Profit from operations

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the first quarter of 2017 was GBP 29.4 (27.6) million.

Underlying EBITDA for the first quarter of 2017 was GBP 30.3 (28.5) million.

Profit from operations for the first quarter of 2017 was GBP 20.2 (22.6) million.

Development and acquisition costs of intangible assets

In the first quarter of 2017 development expenditure of GBP 4.9 (4.7) million has been capitalised. Capitalised development costs during 2017 are driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining.

Finance costs/income

Net finance costs for the first quarter of 2017 were GBP 2.1 (0.3) million. These include foreign currency losses on revaluation of the Revolving Credit Facility of GBP 1.8 (nil) million.

Profit before tax

Profit before tax for the first quarter of 2017 was GBP 18.2 (22.5) million.

Profit after tax

Profit after tax for the first quarter of 2017 was GBP 16.3 (20.0) million.

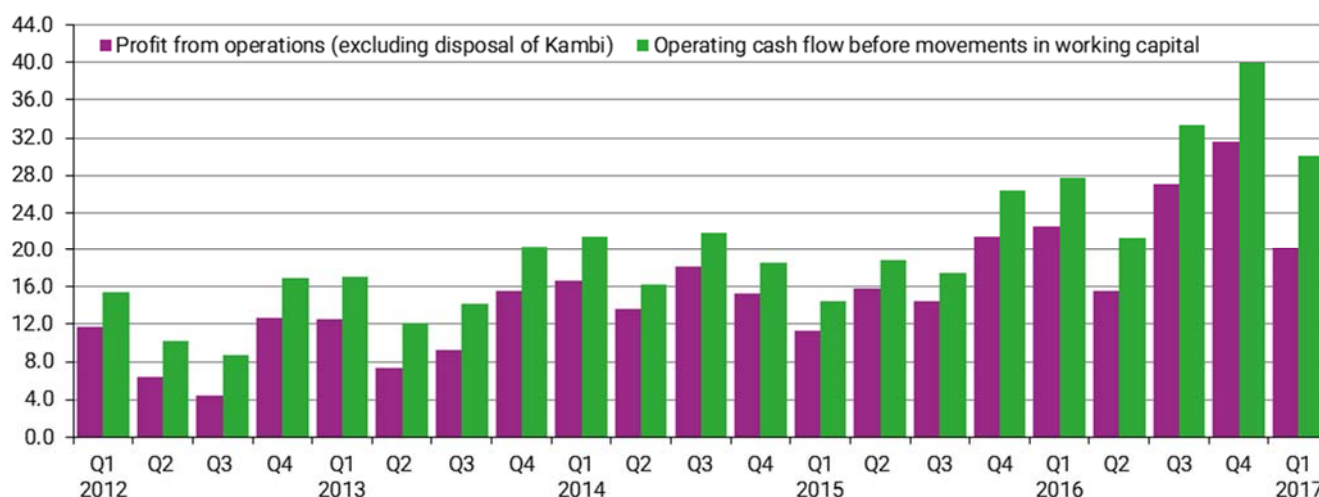
Financial position and cash flow

The cash in hand position at the end of the first quarter of 2017 stood at GBP 96.7 (76.6) million while at the beginning of the quarter it was GBP 89.4 (83.4) million.

The net cash inflow for the first quarter of 2017 was GBP 5.9 (12.2 outflow) million with significant cash movements being the utilisation of GBP 8 million of the Revolving Credit Facility and repayment of EUR 12 million and SEK 115 million. As at 31 March 2017, GBP 42.0 (26.3) million of the Revolving Credit Facility was utilised.

GBP 30.1 (27.7) million was generated from operating activities before movements in working capital. The quarterly profit from operations and operating cash flow before movements in working capital is shown in the table below.

Profit and operating cash flow before movements in working capital (GBP million)



Employees

The Kindred Group had 1,220 (1,074) employees at 31 March 2017, compared with 1,162 employees at 31 December 2016.



Incentive plan exercised

At exercise of the Employee Incentive Plan that was introduced for all employees in January 2014, where employees could choose between a cash bonus of GBP 3,000 or the equivalent value in performance share rights, the full value has vested and 107,004 share awards were exercised using 107,004 SDRs from Kindred Group's buy-back programme.

Following this exercise, 2,478,262 SDRs from the Share buy-back programmes continue to be held by the Kindred Group. The total amount of shares outstanding in Kindred Group plc is 230,126,200 ordinary shares with a par value of GBP 0.000625.

Principal risks

The Kindred Group 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 the Group's risk management and risks arising from the legal environment can be found on pages 26 to 29 and pages 43 to 44 of the Annual Report for the year ended 31 December 2016 available from www.kindredgroup.com. There have been no changes in any risks identified since the prior year end.

Forthcoming financial reporting timetable

Interim Report January – June 2017	26 July 2017
Interim Report January – September 2017	1 November 2017
Full Year Report 2017	7 February 2018

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

Malta, 26 April 2017

Henrik Tjärnström
CEO

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This report is unaudited.

Kindred Group plc

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Registered in Malta.

Company number C 39017



CONSOLIDATED INCOME STATEMENT GBP 'm	Unaudited Q1 2017	Unaudited Q1 2016	Audited Full Year 2016
Continuing operations:			
Gross winnings revenue	153.2	122.4	544.1
Betting duties	-22.2	-14.2	-67.7
Marketing revenue share	-9.5	-6.9	-29.8
Other cost of sales	-27.7	-23.6	-101.8
Cost of sales	-59.4	-44.7	-199.3
Gross profit	93.8	77.7	344.8
Marketing costs	-34.9	-25.7	-114.7
Administrative expenses	-33.9	-26.6	-121.4
Underlying profit before items affecting comparability:	25.0	25.4	108.7
M&A costs	-0.6	-	-
Management incentive costs relating to acquisitions	-0.3	-0.9	-3.0
Accelerated amortisation of acquired intangible assets	-2.1	-	-
Amortisation of acquired intangible assets	-2.1	-1.8	-8.2
Foreign currency gain/(loss) on operating items	0.3	-0.1	-0.6
Profit from operations	20.2	22.6	96.9
Finance costs	-0.4	-0.3	-4.5
Finance income	0.1	0.0	0.2
Foreign currency loss on loan	-1.8	-	-
Share of profit from associates	0.1	0.2	0.2
Profit before tax	18.2	22.5	92.8
Income tax expense	-1.9	-2.5	-8.9
Profit after tax	16.3	20.0	83.9
Earnings per share (GBP)	0.072	0.087	0.366
Weighted average number of outstanding shares	227,551,755	229,624,311	229,096,939
Fully diluted earnings per share (GBP)	0.071	0.087	0.365
Weighted average number of fully diluted outstanding shares	228,098,030	230,351,897	229,737,902
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME GBP 'm	Unaudited Q1 2017	Unaudited Q1 2016	Audited Full Year 2016
Profit for the year	16.3	20.0	83.9
Other comprehensive income			
Currency translation adjustments taken to equity	1.7	10.9	16.1
Total comprehensive income for the period	18.0	30.9	100.0



CONSOLIDATED BALANCE SHEET GBP 'm	Unaudited 31 Mar 2017	Unaudited 31 Mar 2016	Audited 31 Dec 2016
Assets			
Non-current assets			
Goodwill	185.4	178.7	184.9
Other intangible assets	91.4	90.5	93.9
Investment in associates	1.7	1.6	1.6
Property, plant and equipment	12.9	7.6	12.7
Deferred tax assets	9.1	7.1	8.8
Convertible bond	6.6	6.1	6.6
Other non-current assets	8.9	1.7	2.2
	316.0	293.3	310.7
Current assets			
Trade and other receivables	37.4	26.2	30.6
Taxation recoverable	20.5	11.6	20.5
Cash and cash equivalents	96.7	76.6	89.4
	154.6	114.4	140.5
Total assets	470.6	407.7	451.2
Equity and liabilities			
Capital and reserves			
Share capital	0.1	0.1	0.1
Share premium	81.5	81.5	81.5
Currency translation reserve	16.4	9.5	14.7
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	207.1	196.1	190.1
Total equity	262.2	244.3	243.5
Non-current liabilities			
Deferred tax liabilities	4.2	3.4	4.2
	4.2	3.4	4.2
Current liabilities			
Borrowings	42.0	26.3	54.6
Trade and other payables	67.8	66.0	60.0
Customer balances	54.0	41.7	50.8
Deferred income	7.3	4.8	4.2
Tax liabilities	33.1	21.2	33.9
	204.2	160.0	203.5
Total liabilities	208.4	163.4	207.7
Total equity and liabilities	470.6	407.7	451.2



CONSOLIDATED CASH FLOW STATEMENT GBP 'm	Unaudited Q1 2017	Unaudited Q1 2016	Audited Full Year 2016
Operating activities			
Profit from operations	20.2	22.6	96.9
Adjustments for:			
Depreciation of property, plant and equipment	1.6	1.0	5.1
Amortisation of intangible assets	7.6	4.0	18.7
Loss on disposal of intangible assets	-	-	0.1
Loss on disposal of property, plant & equipment	0.0	-0.1	0.2
Share-based payments	0.3	0.2	0.6
Equity settled employee benefit plan	0.4	0.0	0.7
Operating cash flows before movements in working capital	30.1	27.7	122.3
Increase in trade and other receivables	-6.2	-3.0	-7.8
Increase in trade and other payables, including customer balances	12.0	8.3	13.7
Cash flows from operating activities	35.9	33.0	128.2
Net income taxes paid	-3.0	-1.6	-6.5
Net cash generated from operating activities	32.9	31.4	121.7
Investing activities			
Settlement of contingent consideration	-	-5.9	-16.7
Interest received	0.0	0.0	0.2
Interest paid	-1.0	-0.2	-0.8
Purchases of other non-current assets	-6.7	-	-
Purchases of property, plant and equipment	-1.7	-1.1	-10.4
Proceeds from sale of property, plant and equipment	-	0.5	0.5
Development and acquisition costs of intangible assets	-4.9	-4.7	-19.2
Net cash used in investing activities	-14.3	-11.4	-46.4
Financing activities			
Dividend paid	-	-	-54.0
Disposal of treasury shares	-	0.1	0.2
Proceeds of issue of new shares for share options	-	0.0	0.0
Treasury share buy-back	-	-	-17.1
Proceeds from borrowings	8.0	-	51.7
Repayment of borrowings	-20.7	-32.3	-58.8
Net cash used in financing activities	-12.7	-32.2	-78.0
Net increase/(decrease) in cash and cash equivalents	5.9	-12.2	-2.7
Cash and cash equivalents at beginning of period	89.4	83.4	83.4
Effect of foreign exchange rate changes	1.4	5.4	8.7
Cash and cash equivalents at end of period	96.7	76.6	89.4



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY GBP 'm	Unaudited Q1 2017	Unaudited Q1 2016	Audited Full Year 2016
Opening balance at beginning of period	243.5	213.1	213.1
Comprehensive income			
Profit for the period	16.3	20.0	83.9
Other comprehensive income:			
Translation adjustment	1.7	10.9	16.1
	18.0	30.9	100.0
Transactions with owners			
Share options - value of employee services	0.3	0.2	0.1
Treasury share buy-back	-	-	-17.1
Equity settled employee benefit plan	0.4	0.0	0.7
Proceeds from shares issued	-	0.0	0.0
Disposal of treasury shares	-	0.1	0.7
Dividend paid	-	-	-54.0
	0.7	0.3	-69.6
Closing balance at end of period	262.2	244.3	243.5

KEY RATIOS

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

	Unaudited Q1 2017	Unaudited Q1 2016	Audited Full Year 2016
Operating margin (Profit from operations/gross winnings revenue for the period)	13%	18%	18%
Return on total assets (Profit after tax/average of opening and closing assets for the period)	4%	5%	20%
Return on average equity (annualised) (EBIT/average of opening and closing equity for the period)	32%	40%	42%
Equity:assets ratio	56%	60%	54%
EBITDA margin	19%	23%	22%
Net cash/EBITDA (rolling 12-month basis)	0.349	0.387	0.320
Employees at period end	1,220	1,074	1,162
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	0.420	0.333	0.388
Net cash less debt per share (GBP) (total cash at period end less customer liabilities and borrowings/number of shares at end of period)	0.003	0.037	-0.070
Operating cash flow before movements in working capital per share (GBP)	0.132	0.121	0.534
Earnings per share (GBP)	0.072	0.087	0.366
Fully diluted earnings per share (GBP)	0.071	0.087	0.365
Number of shares at period end ¹	230,126,200	230,126,200	230,126,200
Fully diluted number of shares at period end	230,668,456	230,733,214	230,520,323
Weighted average number of outstanding shares	227,551,755	229,624,311	229,096,939
Weighted average number of fully diluted outstanding shares	228,098,030	230,351,897	229,737,902

¹ As at 31 March 2017 the total issued shares was 230,126,200. Of these 2,478,262 shares are held by the Group as a result of previous repurchase programmes. 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

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

Gross winnings revenue by region (based on country of residence of customer)
(GBP 'm)

SPORTS BETTING BY REGION	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 FY	2015 FY
Gross winnings revenue							
Nordics	21.6	21.3	23.5	17.2	18.3	80.3	58.2
Western Europe	37.0	39.5	35.1	32.9	29.0	136.5	81.9
Central, Eastern and Southern Europe	5.0	5.0	5.3	4.2	4.8	19.3	12.1
Other	2.8	2.7	2.8	1.9	2.0	9.4	9.0
Total	66.4	68.5	66.7	56.2	54.1	245.5	161.2

Quarterly Year-on-Year & Year-on-Year growth %							
Nordics	18%	30%	56%	27%	39%	38%	9%
Western Europe	28%	43%	78%	95%	65%	67%	25%
Central, Eastern and Southern Europe	4%	14%	96%	91%	71%	60%	22%
Other	40%	8%	22%	-17%	5%	4%	88%
Total	23%	34%	68%	61%	52%	52%	21%

OTHER PRODUCTS - CASINO, POKER, & OTHER GAMES BY REGION	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 FY	2015 FY
Gross winnings revenue							
Nordics	47.6	46.5	40.4	36.8	35.9	159.6	102.1
Western Europe	32.6	30.8	27.7	26.5	25.0	110.0	72.4
Central, Eastern and Southern Europe	6.1	6.2	6.8	6.6	6.8	26.4	16.7
Other	0.5	0.8	0.7	0.5	0.6	2.6	1.7
Total	86.8	84.3	75.6	70.4	68.3	298.6	192.9

Quarterly Year-on-Year & Year-on-Year growth %							
Nordics	33%	44%	58%	59%	69%	56%	5%
Western Europe	30%	36%	69%	48%	61%	52%	23%
Central, Eastern and Southern Europe	-10%	17%	84%	61%	89%	58%	-1%
Other	-17%	167%	17%	0%	100%	53%	-65%
Total	27%	40%	66%	54%	68%	55%	8%

TOTAL BY REGION	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 FY	2015 FY
Gross winnings revenue							
Nordics	69.2	67.8	63.9	54.0	54.2	239.9	160.3
Western Europe	69.6	70.3	62.8	59.4	54.0	246.5	154.3
Central, Eastern and Southern Europe	11.1	11.2	12.1	10.8	11.6	45.7	28.8
Other	3.3	3.5	3.5	2.4	2.6	12.0	10.7
Total	153.2	152.8	142.3	126.6	122.4	544.1	354.1

Share of total %							
Nordics	45%	45%	45%	42%	44%	44%	45%
Western Europe	46%	46%	44%	47%	44%	45%	44%
Central, Eastern and Southern Europe	7%	7%	9%	9%	10%	9%	8%
Other	2%	2%	2%	2%	2%	2%	3%

Quarterly Year-on-Year & Year-on-Year growth %							
Nordics	28%	40%	57%	48%	58%	50%	6%
Western Europe	29%	40%	74%	71%	63%	60%	24%
Central, Eastern and Southern Europe	-4%	15%	89%	71%	81%	59%	7%
Other	27%	25%	21%	-14%	18%	12%	10%
Total	25%	37%	65%	57%	61%	54%	13%



NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

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

Gross winnings revenue by product (after Free Bets)
(GBP 'm)

TOTAL BY PRODUCT	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 FY	2015 FY
Gross winnings revenue							
Sports Betting	66.4	68.5	66.7	56.2	54.1	245.5	161.2
Casino & Games	77.4	74.9	68.5	64.7	61.3	269.4	171.6
Poker	3.7	3.5	3.2	2.6	3.2	12.5	7.6
Other	5.7	5.9	3.9	3.1	3.8	16.7	13.7
Total	153.2	152.8	142.3	126.6	122.4	544.1	354.1
Share of total %							
Sports Betting	43%	45%	47%	45%	44%	45%	46%
Casino & Games	51%	49%	48%	51%	50%	50%	48%
Poker	2%	2%	2%	2%	3%	2%	2%
Other	4%	4%	3%	2%	3%	3%	4%

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

Sports Betting	23%	34%	68%	61%	52%	52%	21%
Casino & Games	26%	39%	62%	59%	76%	57%	15%
Poker	16%	59%	146%	37%	45%	64%	-10%
Other	50%	34%	44%	0%	9%	22%	-32%

Sports Betting gross margins
(GBP 'm)

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 FY	2015 FY
Sports Betting Stakes	1,115.9	976.1	874.9	901.5	845.1	3,597.6	2,248.9
<i>Sports Betting Gross winnings revenue:</i>							
Live Betting	43.6	40.4	37.2	35.6	33.8	147.0	95.1
<i>Live Betting margin</i>	6.5%	6.8%	6.7%	6.4%	6.3%	6.5%	6.5%
<i>Live Betting share</i>	53.7%	51.0%	48.4%	51.1%	52.2%	50.6%	50.4%
Pre-game Betting	37.6	38.8	39.6	34.0	31.0	143.4	93.5
<i>Pre-game Betting margin</i>	8.4%	10.1%	12.5%	9.8%	10.1%	10.5%	12.0%
<i>Pre-game Betting share</i>	46.3%	49.0%	51.6%	48.9%	47.8%	49.4%	49.6%
Total before Free Bets	81.2	79.2	76.8	69.6	64.8	290.4	188.6
<i>Sports Betting margin (before FB)</i>	7.3%	8.1%	8.8%	7.7%	7.7%	8.1%	8.4%
<i>Free Bets</i>	-14.8	-10.7	-10.1	-13.4	-10.7	-44.9	-27.4
Total after Free Bets	66.4	68.5	66.7	56.2	54.1	245.5	161.2
<i>Sports Betting margin (after FB)</i>	6.0%	7.0%	7.6%	6.2%	6.4%	6.8%	7.2%

Total margins (all products)
(%)

	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 FY	2015 FY
<i>Total margin all products* (before FB)</i>	4.5%	4.7%	4.7%	4.6%	4.6%	4.7%	4.7%

* Includes Sports Betting and Casino & Games, but excludes Poker rakes and Other revenues.

