



Unibet Group plc
Interim report January - June 2010

- **Gross Winnings Revenue** amounted to GBP 39.2 (30.0) million for the second quarter of 2010 and GBP 81.0 (66.2) million for the first half year 2010.
- **Profit from operations** for the second quarter of 2010 amounted to GBP 8.4 (1.9) million. Profit from operations for the first half year 2010 amounted to GBP 19.0 (12.8) million.
- **Profit before tax** for the second quarter of 2010 amounted to GBP 10.0 (5.9) million. Profit before tax for the first half year 2010 amounted to GBP 20.3 (16.6) million.
- **Profit after tax** for the second quarter of 2010 amounted to GBP 9.1 (5.4) million. Profit after tax for the first half year 2010 amounted to GBP 18.6 (15.3) million.
- **Earnings per share** for the second quarter of 2010 were GBP 0.324 (0.192) and GBP 0.664 (0.548) for the first half year 2010.
- **Operating cash flow before movements in working capital** amounted to GBP 10.9 (4.6) million for the second quarter 2010 and GBP 24.0 (18.1) for the first half year 2010.
- **Number of active customers** for the quarter was 402,091 (309,099).

“Strong operational results”

“The expertise of the Unibet Sportsbook, especially during the World Cup, combined with a year on year increase in active customers of 30 per cent, contributed to strong operational results for the second quarter of 2010. Casino and games performance was also robust, whilst poker and bingo continued to face competitive pressures.”

“During the second quarter, Unibet closed its Maltese site to residents of France. Unibet has applied for a French licence but considers that, under the restrictive terms of the licence, it will be hard for any operator to make a reasonable return. Unibet is therefore continuing to develop partnerships to leverage both its brand assets and reputation, as well as its expertise in Sportsbook, into the French market.”

“Despite the impact of the French market, Unibet’s gross win for July 2010 was higher than the same month in 2009. We still remain cautious, however, about the outlook for the rest of 2010, as communicated in our first quarter report.”

“Re-regulation of the gaming industry and consolidation among competitors creates significant opportunities and threats. In the short term, Unibet continues to focus its marketing and operational resources on the existing and the re-regulating markets which provide realistic prospects for profitable growth.”

“Over the coming months I will work with my executive team and the Board to refine our strategy in our different consumer markets and in the B2B market, in order to develop a new long term operational strategy for the business”, says Henrik Tjärnström, CEO of Unibet.

Today, Wednesday 11 August 2010, 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 +44 (0)20 7806 1967 Confirmation Code: 5403382.

Please call in, well in advance and register.

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

SUMMARY TABLE Q2 AND PRIOR YEAR

This table and the contents of this announcement are unaudited

GBP	Q2		Jan - June		Full Year 2009 GBPm	Rolling 12 months ³ GBPm
	2010 GBPm	2009 GBPm	2010 GBPm	2009 GBPm		
Gross winnings Revenue	39.2	30.0	81.0	66.2	138.3	153.1
EBITDA ¹	10.8	4.3	23.7	17.7	41.9	47.9
Profit before tax	10.0	5.9	20.3	16.6	28.9	32.6
Profit after tax	9.1	5.4	18.6	15.3	26.8	30.1
Net cash ²	11.0	32.6	11.0	32.6	11.5	
Bank debt	19.6	0.0	19.6	0.0	21.4	
Bond liability	0.0	55.2	0.0	55.2	0.0	
	GBP	GBP	GBP	GBP	GBP	GBP
EBITDA ¹ per share	0.385	0.154	0.845	0.633	1.498	1.710
Earnings per share	0.324	0.192	0.664	0.548	0.957	1.072
Net cash ² per share	0.390	1.155	0.390	1.155	0.406	

SEK	Q2		Jan - June		Full Year 2009 SEKm	Rolling 12 months ³ SEKm
	2010 SEKm	2009 SEKm	2010 SEKm	2009 SEKm		
Gross winnings Revenue	443.1	381.2	912.0	839.4	1,649.7	1,722.3
EBITDA ¹	122.0	54.5	266.9	224.4	499.6	542.1
Profit before tax	112.5	74.9	228.4	210.6	344.5	362.3
Profit after tax	102.9	68.0	209.7	194.4	319.2	334.5
Net cash ²	128.3	413.8	128.3	413.8	132.3	
Bank debt	228.7	0.0	228.7	0.0	247.1	
Bond liability	0.0	700.0	0.0	700.0	0.0	
	SEK	SEK	SEK	SEK	SEK	SEK
EBITDA ¹ per share	4.35	1.95	9.51	8.03	17.87	19.35
Earnings per share	3.67	2.43	7.47	6.96	11.42	11.93
Net cash ² per share	4.54	14.65	4.54	14.65	4.69	

	No.	No.	No.	No.	No.	No.
Active customers	402,091	309,099				
Registered customers (million)	4.7	3.6	4.7	3.6	4.1	

Currency rate Q2 10 average: 1GBP = 11.295 SEK, Q2 09: 1GBP = 12.689 SEK, FY 09 1GBP = 11.927 SEK, 30 June 2010 1GBP = 11.653 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 the 12 months result ended 30 June 2010

Unibet Group plc

Significant events during the second quarter of 2010

On 4 May, Unibet acquired 25.9 per cent of the NASDAQ listed company Bingo.com through a directed rights issue/private placement of USD 2.25 million.

On 4 May, the Board of Unibet decided to pursue the opportunity to apply for a licence under the French controlled opening of the online market. Even though the French market is under stimulated, the current licence terms are very restrictive and make it difficult to generate any reasonable return. On the aforementioned day, to prepare and adapt the company for the French licence and as the result of an ongoing review of Unibet's core brands, Unibet agreed to sell and transfer certain assets to Gallia Gaming Group Ltd. As certain conditions from this transaction have not been fulfilled, Unibet does not expect any material future benefit.

On 6 May 2010, Unibet Group held its Annual General Meeting and approved a dividend of GBP 0.71 (0.23) to be paid to the holders of shares/SDRs as at that date. Also at the AGM, Kristofer Arwin, Peter Boggs, Peter Lindell and Anders Ström were re-elected as Directors of the Company and Nigel Cooper and Stefan Lundborg were elected as new Directors. In addition, Mr Anders Ström was elected as Chairman. All other resolutions as detailed in the Notice of the AGM were passed at the meeting including the share buy-back mandate.

Kristofer Arwin and Nigel Cooper were appointed as members of the Audit Committee. The committee is chaired by Nigel Cooper. Both have relevant accounting and financial management expertise.

Peter Lindell and Stefan Lundborg were appointed as members of the Remuneration Committee. Peter Lindell chairs the committee.

On 8 June 2010, Unibet signed agreements with both the French sports betting operator France Pari to offer sports betting and also with Ongame to provide poker to the French market, as well as a letter of intent with Zeturf regarding horse racing pool liquidity. These agreements are expected to become operational later in the year.

Significant events after the period end

On 9 July 2010, Unibet signed a trademark agreement, for the brand of "Jugandovoy", with Unidad Editorial Informacion Deportiva, S.L. The Jugandovoy brand will be advertised in the Spanish media house "Marca". Marca has on average 3 million unique visitors per day and the print version average daily circulation is 300,000.

On 20 July 2010, Henrik Tjärnström was appointed as the new CEO of Unibet Group plc. This follows the notification to the Board by the former CEO Petter Nylander of his resignation. Mr. Nylander however will continue, in agreement with the Board, to support the company in an advisory role in respect of certain specific projects.

Market

Unibet is one of Europe's leading companies in Moneytainment, operating in 27 different languages in more than 100 countries.

Gambling can be divided into games of skill (Sports betting, Horse racing, Poker, etc.) and games of chance (Roulette, Black Jack, Slot machines, Lotto, Bingo etc.) The gambling market can also be divided into online (Internet) and offline (betting shops, casinos) gambling. Online gambling is now regarded as one of the most important Internet businesses. Besides sports betting, which has enjoyed first mover advantage in the online arena and been the driver of online gambling, other areas such as casino games, poker, bingo and lotteries have grown rapidly in recent years.

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 (excluding the USA, Turkey and similar markets) 24 hours a day, 7 days a week. Bets are placed via Unibet's site or via mobile phone.

The second quarter of 2010 was intense with the English, Spanish and Italian domestic football leagues coming to an end together with the final of the Champions League and the 2010 World Cup. Unibet had a comprehensive pre-match offer with over 150 bet offers on every single match in the World Cup tournament. The highest turnover match was the final between Netherlands and Spain with a total of over GBP 2 million on pre match and live bets. The match between Germany and Australia had the record with over 165,000 pre-match bets placed on that match alone. As many of the favourite teams such as France, Italy and England were knocked out in the early stages, June became one of the most profitable months for Unibet's sports book.

Unibet's live betting offered more bet types per match during the World Cup than ever before, with well over 120 bet offers to play on during a regular 90 minute match. The total turnover for the World Cup was over GBP 51 million of which live betting was over GBP 20 million.

Besides the World Cup there was a vast array of big international sporting events including Grand Slam Tennis with the French Open and Wimbledon, Masters Series Tennis, NBA and NHL Playoffs and Finals, Handball and Volleyball Champions Leagues and many other sporting gems. The French Open Tennis match between Söderling and Berdych had the highest live turnover of a non-football event.

Mobile Betting continued to grow as customers really embraced the concept of betting 'on the go'. The launch of the 'Android' client in addition to Unibet's existing applications enabled bets to be placed across all mobile platforms.

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 refer to page 5.

Non-sports betting

Unibet's non-sports betting consists of casino, games, bingo and poker.

The Unibet browser casino consists of more than 80 games such as Roulette, Black Jack, Caribbean Stud, Video Slots and Video Poker. A wide variety of promotions are offered regularly as well as daily and monthly tournaments with prize pools of up to EUR 25,000. The second quarter of 2010 saw the release of two football themed mini games in time for the World Cup, one Africa themed slot machine, Jungle Games, as well as a new single deck Blackjack table game.

The downloadable casino offers over 140 games including superior looking casino classics such as Roulette and Blackjack Gold series, as well as the highly popular branded Video Slots, Tomb Raider, Hitman and The Osbournes to give players the perfect casino experience.

Unibet's Live Casino offers two Unibet branded Blackjack tables, Roulette and Baccarat. The Live Casino is the closest you can get to a real brick and mortar casino online, with real dealers spinning the roulette wheel and dealing the cards.

Unibet Games focuses on the entertainment aspects of Games play including branded content and many different styles of game to interest as wide an audience as possible. The games are a softer version of the casino and are derived from the popularity of lottery and keno-based games, virtual sports and hi/lo games. During the second quarter, the offering added a number of new games, mainly football related, to offer players relevant Moneytainment[®] whilst enjoying the World Cup.

Unibet offers bingo under the two brands Unibet Bingo and Maria Bingo as well as white label solutions. During the second quarter, bingo was upgraded to improve the player experience both in terms of response times and game offering. This has led to faster response times under peak loads and a higher up-time for the product.

The Maria brand, mainly promoting bingo, casino, games and poker, is focused on targeting the female gambling audience. Maria's main markets are the Nordics but local sites are available in most European countries. During the second quarter of 2010 the network with its white labels grew further launching www.bingo.com in the middle of the quarter.

The Unibet Open has continued building on its reputation as one of Europe's leading poker tours with the event in Golden Sands, Bulgaria in June attracting nearly 400 of Unibet's customers from all over Europe and strong media coverage.

Financial review

The financial information has been presented in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the European Union. Other than as described in Note 3 on page 13, the accounting policies remain unchanged from the last published Annual Report and Accounts for the year ended 31 December 2009.

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, before Free Bets, amounted to GBP 19.7 (10.6) million for the second quarter of 2010. For the first half-year 2010, gross winnings revenue for sports betting, before Free Bets, amounted to GBP 39.3 (26.5) million.

Gross winnings revenue for non-sports betting amounted to GBP 21.2 (20.7) million for the second quarter of 2010. For the first half-year 2010, gross winnings revenue for non-sports betting amounted to GBP 45.3 (42.5) million.

Of the non-sports betting gross winnings in the second quarter, poker represents circa 22 per cent and casino circa 67 per cent.

Please refer to page 18 for more information on gross winnings revenue per region and products.

Gross margin on sports betting

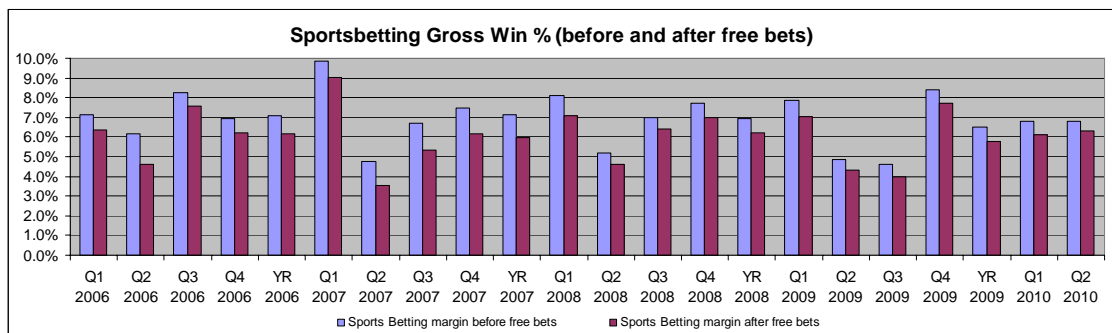
The gross margin for sports betting excluding live betting and before Free Bets for the second quarter 2010 was 9.5 (6.3) per cent.

The gross margin for total sports betting for the second quarter 2010 before Free Bets was 6.8 (4.9) per cent. The gross margin for total sports betting for the second quarter 2010 after Free Bets was 6.3 (4.3) per cent.

Live betting is continuously growing and now provides substantial revenue. Live betting accounted for 37.0 (37.3) per cent of gross winnings revenue on sports betting, excluding Free Bets, in the second quarter of 2010.

Please refer to page 18 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 graph below. The bars show sports betting gross margin quarter and full year.



Customers

For the second quarter of 2010 the number of active customers amounted to 402,091 (309,099) compared with 379,473 for the first quarter 2010. An active customer is defined as one placing a bet in the last three months.

The total number of registered customers has continued to increase and exceeded 4.7 (3.6) million at 30 June 2010, whilst at 31 March 2010, over 4.4 million customers were registered.

Cost of sales

Cost of sales includes revenue share, affiliate costs, betting duties and other costs of sales. Of these, the marketing related revenue share and affiliate cost amounted to GBP 4.2 (3.2) million for the second quarter of 2010. Marketing related revenue share and affiliate cost for the first half year 2010 amounted to GBP 9.0 (6.2) million.

Gross profit

Gross profit for the second quarter 2010 was GBP 34.3 (26.0) million. Gross profit for the first half year 2010 was GBP 70.0 (58.3) 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 etc. During the second quarter of 2010, ongoing operating costs were GBP 24.7 (24.1) million, before GBP 1.1 (Nil) million of one off litigation costs. Of the operating costs in the second quarter, GBP 10.4 (8.5) million were marketing costs and GBP 6.1 (5.1) million were salaries. During the first half year of 2010, ongoing operating costs were GBP 49.6 (45.5) million, before GBP 1.1 (Nil) million of one off litigation costs.

Profit from operations

Profit from operations for the second quarter of 2010 was GBP 8.4 (1.9) million. Profit from operations for the first half year 2010 was GBP 19.0 (12.8) million. Earnings before interest, tax and depreciation and amortisation (EBITDA) for the second quarter of 2010 was GBP 10.8 (4.3) million and for the first half year 2010, was GBP 23.7 (17.7) million.

Capitalised internal development expenditure

In the second quarter of 2010, expenditure of GBP 1.5 (0.5) million has been capitalised, before amortisation, bringing the first half year 2010 total to GBP 2.6 (1.1) million.

Finance costs (net)

Net finance costs for the second quarter 2010 were a positive of GBP 1.5 (positive 4.0) million due to a currency gain on the bank loan of GBP 1.7 (gain of GBP 5.3 on the bond) million. Net finance costs for the first half year 2010 were a positive of GBP 1.3 (3.8) million.

Q2 2010 exchange rates

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

Balance sheet rates:

Rate to GBP	31-Mar-10	30-Jun-10	Q2 Delta
SEK	10.916	11.653	6.8%
NOK	9.006	9.753	8.3%
EUR	1.124	1.223	8.8%
DKK	8.367	9.112	8.9%

P&L averages for quarter:

Rate to GBP	Avg Q1 10	Avg Q2 10	Q2 Delta
SEK	11.232	11.295	0.6%
NOK	9.143	9.276	1.5%
EUR	1.128	1.172	4.0%
DKK	8.393	8.725	4.0%

Profit before tax

Profit before tax for the second quarter 2010 was GBP 10.0 (5.9) million. Profit before tax for the first half year 2010 was GBP 20.3 (16.6) million.

Profit after tax

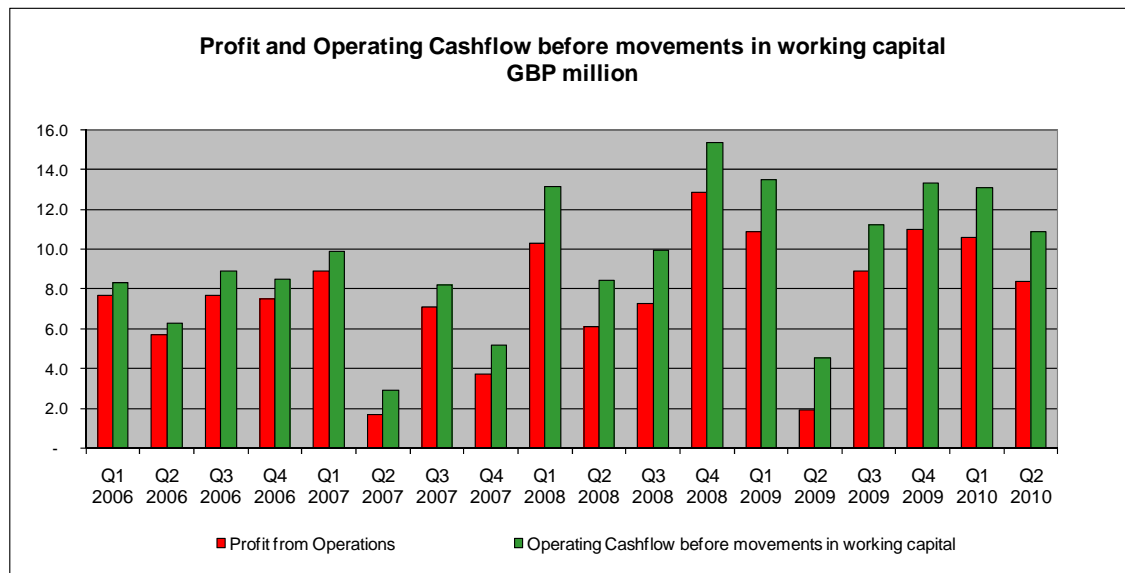
Profit after tax for the second quarter 2010 was GBP 9.1 (5.4) million. Profit after tax for the first half year 2010 was GBP 18.6 (15.3) million.

Financial position and cash flow

The cash in hand position at the end of the second quarter 2010 stood at GBP 38.1 (56.4) million while at the beginning of the period it was GBP 54.5 (60.9) million.

Unibet expects to generate sufficient free cash flow in the rest of the year to repay the loan on maturity in December 2010. Taking into account potential strategic projects that the Board may wish to pursue, Unibet is in early negotiations to extend the current short term facility.

The net cash outflow for the second quarter 2010 was GBP 12.4 (1.2) million of which the dividend paid was GBP 19.9 (6.4) million. GBP 10.9 (4.6) million was generated from operating activities before movements in working capital. The quarterly profit 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 30-31 and pages 48-49 of the Annual Report for the year ended 31 December 2009, available from www.unibetgroupplc.com.

Dividend

On 17 May 2010 a dividend of GBP 0.71 (0.23) equivalent to SEK 7.99 (2.75) per ordinary share/SDR was paid to the holders of shares/SDRs.

Employees

Unibet had 499 (433) employees equivalent to 454 (401) full time employees at 30 June 2010, compared to 476 (equivalent to 429 full time employees) at 31 March 2010.

Forthcoming financial reporting timetable

Interim Report January – September 2010	3 November 2010
Full Year Report 2010	16 February 2011
Interim Report January – March 2011	11 May 2011
Interim Report January – June 2011	10 August 2011
Interim Report January – September 2011	2 November 2011

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

Malta, 11 August 2010

Henrik Tjärnström
CEO

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*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. Today, Unibet has more than 4.7 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.

In December 2007, Unibet acquired Maria Holdings (www.maria.com), the largest online bingo operator in the Nordic market, and in April 2008 acquired Scandinavia's largest trotting community, Travnet.

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

Independent review report to Unibet Group plc

Introduction

We have reviewed the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010, which comprise the consolidated income statement, statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, and consolidated cash flow statement for the six-month period then ended and the related notes. Management is responsible for the preparation and fair presentation of the condensed set of financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

This report, including the conclusion, has been prepared for and only for the company for the purpose of the requirements of the NASDAQ OMX Nordic Exchange, Stockholm and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. 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 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 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

PricewaterhouseCoopers LLP
Chartered Accountants
London
11 August 2010

Notes:

(a) The maintenance and integrity of the Unibet Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation governing the preparation and dissemination of financial statements may differ from jurisdiction to jurisdiction

CONSOLIDATED INCOME STATEMENT GBP '000	Unaudited Q2 2010	Unaudited Q2 2009	Unaudited Jan - June 2010	Unaudited Jan - June 2009	Audited Full Year 2009
Continuing operations:					
Gross Winnings Revenue	39,227	30,042	80,977	66,151	138,318
Cost of Sales	-4,976	-4,027	-11,285	-7,858	-17,641
Gross profit	34,251	26,015	69,692	58,293	120,677
Marketing costs	-10,398	-8,497	-20,475	-16,866	-36,637
Litigation costs	-1,106	-	-1,106	-	-
Other administrative expenses	-14,301	-15,581	-29,098	-28,626	-51,289
Administrative expenses	-15,407	-15,581	-30,204	-28,626	-51,289
PROFIT FROM OPERATIONS	8,446	1,937	19,013	12,801	32,751
Finance costs arising on bond repurchase	-	-	-	-156	-1,353
Other finance credits/costs	1,492	3,756	1,193	3,620	-2,984
Finance credits/(costs)	1,492	3,756	1,193	3,464	-4,337
Finance income	55	206	112	334	480
Share of loss of associate	-35	-	-35	-	-12
Profit before tax	9,958	5,899	20,283	16,599	28,882
Income tax expense	-851	-540	-1,665	-1,275	-2,116
PROFIT FOR THE PERIOD	9,107	5,359	18,618	15,324	26,766
Earnings per share (GBP)	0.324	0.192	0.664	0.548	0.957
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	28,067,063	27,943,192	28,057,427	27,943,192	27,955,464
Fully diluted earnings per share (GBP)	0.324	0.191	0.661	0.548	0.956
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	28,113,350	28,012,032	28,149,363	27,962,275	27,989,238
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME GBP '000	Unaudited Q2 2010	Unaudited Q2 2009	Unaudited Jan - June 2010	Unaudited Jan - June 2009	Audited Full Year 2009
Profit for the period	9,107	5,359	18,618	15,324	26,766
Other comprehensive income					
Currency translation adjustment taken to equity	-6,559	-5,408	-3,201	-7,430	-136
COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	2,548	-49	15,417	7,894	26,630

CONSOLIDATED BALANCE SHEET	Unaudited	Unaudited	Audited
GBP '000	30 Jun	30 Jun	31 Dec
ASSETS	2010	2009	2009
Non-current assets			
Goodwill	121,623	118,067	122,369
Other intangible assets	25,208	26,912	26,597
Investment in associate	1,458	119	-
Property, plant and equipment	2,644	3,174	2,952
Deferred tax assets	169	4,877	169
	<u>151,102</u>	<u>153,149</u>	<u>152,087</u>
Current assets			
Trade and other receivables	13,117	6,892	9,538
Taxation recoverable	10,761	1,207	11,327
Cash and cash equivalents	38,149	56,404	39,764
	<u>62,027</u>	<u>64,503</u>	<u>60,629</u>
TOTAL ASSETS	<u><u>213,129</u></u>	<u><u>217,652</u></u>	<u><u>212,716</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	141	141	141
Share premium	74,044	73,838	74,044
Currency translation reserve	6,720	2,628	9,921
Reorganisation reserve	-42,889	-42,889	-42,889
Retained earnings	80,735	68,725	81,517
TOTAL EQUITY	<u><u>118,751</u></u>	<u><u>102,443</u></u>	<u><u>122,734</u></u>
Non-current liabilities			
Deferred tax liabilities	1,832	3,827	2,048
Borrowings	-	55,162	-
	<u>1,832</u>	<u>58,989</u>	<u>2,048</u>
Current liabilities			
Trade and other payables	30,533	25,804	24,205
Customer balances	27,141	23,790	28,305
Tax liabilities	15,248	6,626	14,021
Borrowings	19,624	-	21,403
	<u>92,546</u>	<u>56,220</u>	<u>87,934</u>
Total liabilities	<u><u>94,378</u></u>	<u><u>115,209</u></u>	<u><u>89,982</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>213,129</u></u>	<u><u>217,652</u></u>	<u><u>212,716</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
GBP '000

	Unaudited Q2 2010	Unaudited Q2 2009	Unaudited Jan - June 2010	Unaudited Jan - June 2009	Audited Full Year 2009
OPENING BALANCE AT BEGINNING OF PERIOD	136,091	108,741	122,734	100,678	100,678
Comprehensive income					
Profit for the period	9,107	5,359	18,618	15,324	26,766
Other comprehensive income:					
Translation adjustment	-6,559	-5,408	-3,201	-7,430	-136
	2,548	-49	15,417	7,894	26,630
Transactions with owners					
Share options - value of employee services	40	178	205	298	659
Exercise of share options	-	-	-	-	206
Disposal of treasury shares	-	-	323	-	988
Dividend paid	-19,928	-6,427	-19,928	-6,427	-6,427
	-19,888	-6,249	-19,400	-6,129	-4,574
CLOSING BALANCE AT END OF PERIOD	118,751	102,443	118,751	102,443	122,734

CONSOLIDATED CASH FLOW STATEMENT
GBP '000

	Unaudited Q2 2010	Unaudited Q2 2009	Unaudited Jan - June 2010	Unaudited Jan - June 2009	Audited Full Year 2009
OPERATING ACTIVITIES					
Profit from operations	8,446	1,937	19,013	12,801	32,751
Adjustments for:					
Depreciation of property, plant and equipment	435	417	859	904	1,741
Amortisation of intangible assets	1,968	1,941	3,862	3,976	7,400
Loss on disposal of property, plant & equipment	13	87	13	87	99
Share-based payment	40	178	205	298	659
Operating cashflows before movements in working capital	10,902	4,560	23,952	18,066	42,650
(Increase)/decrease in receivables	-1,130	1,309	-3,579	2,035	630
Increase/(decrease) in payables	881	1,350	5,987	1,298	3,107
Cash generated from operations	10,653	7,219	26,360	21,399	46,387
Income taxes paid	-63	-1,433	-126	-1,433	-1,992
NET CASH GENERATED FROM OPERATING ACTIVITIES	10,590	5,786	26,234	19,966	44,395
INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash acquired and debt assumed	-	-	-	-	354
Investment in associate	-1,484	-	-1,484	-	-
Interest received	55	207	112	335	480
Interest paid	-354	-	-401	-68	-6,132
Purchases of property, plant and equipment	-162	-291	-579	-386	-837
Development costs of intangible assets	-1,460	-516	-2,648	-1,102	-2,642
NET CASH USED IN INVESTING ACTIVITIES	-3,405	-600	-5,000	-1,221	-8,777
FINANCING ACTIVITIES					
Dividends paid	-19,928	-6,427	-19,928	-6,427	-6,427
Proceeds of issue of new shares for share options	-	-	-	-	206
Disposal of treasury shares	323	-	323	-	988
Bond buy back	-	-	-	-4,483	-64,266
Repayment of borrowings	-	-	-88	-	21,602
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	-19,605	-6,427	-19,693	-10,910	-47,897
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	-12,420	-1,241	1,541	7,835	-12,279
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	54,461	60,927	39,764	53,383	53,383
Effect of foreign exchange rate changes	-3,892	-3,282	-3,156	-4,814	-1,340
CASH AND CASH EQUIVALENTS AT END OF PERIOD	38,149	56,404	38,149	56,404	39,764

1 General information

Unibet Group plc ('the Company') and its subsidiaries (together, 'the Group') is an online gambling business with over 4.7 million registered customers worldwide as at 30 June 2010 and is one of the largest non state-run, publicly quoted online gambling operators in the European market.

The Company is a limited liability company incorporated and domiciled in Malta. The Group also has subsidiaries in Malta, the UK, Sweden and Antigua. Online gambling services for the international market are offered through Malta, Antigua, Italy and the UK.

The Company is only listed on the NASDAQ OMX Nordic Exchange in Stockholm.

This condensed consolidated interim financial information was approved for issue on 11 August 2010.

2 Basis of preparation

This condensed interim financial information for the half-year ended 30 June 2010 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial report should be read in conjunction with the annual financial statements (Annual Report) for the year ended 31 December 2009.

The next annual financial statements will be prepared in accordance with IFRS as adopted by the European Union and drawn up to the year ending 31 December 2010.

3 Accounting policies

The accounting policies adopted are consistent with those as described in the annual financial statements (Annual Report) for the year ended 31 December 2009, which are available from the Group's website, except for the new policies and amended standards as described below.

Associated companies

Associates are all companies over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies have been reported according to the equity method. This means that the Group's share of income after taxes in an associated company is reported as part of the Group's income. Investments in such a company are reported initially at cost, increased, or decreased to recognise the Group's share of the profit or loss of the associated company after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Gains or losses on transactions with associated companies, if any, have been recognised to the extent of unrelated investors' interests in the associate.

Taxes

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

IFRS 3 (revised) 'Business combinations' (effective 1 July 2009) - This revised standard harmonises business combination accounting with US GAAP. The standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill and non-controlling (minority) interests may be calculated on a gross or net basis. All transaction costs will be expensed. Unibet has applied this standard when accounting for the cost of investment in Bingo.com.

(b) Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group:

- Amendment to IFRS 2, 'Share based payments – Group cash-settled share-based payment transactions' (effective 1 January 2010)
- Amendment to IAS 27, 'Consolidated and separate financial statements' (effective 1 July 2009)
- Amendment to IAS 39, 'Financial instruments: Recognition and measurement', on Eligible hedged items (effective 1 July 2009)
- Amendments to IFRS 1 for additional exemptions (effective 1 January 2010)
- IFRIC 12, 'Service concession arrangements' (effective 30 March 2009)
- IFRIC 15, 'Arrangements for construction of real estates' (effective 1 January 2009 but EU endorsed for 1 January 2010)
- IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective 1 October 2008 but EU endorsed for 1 July 2009)
- IFRIC 17, 'Distributions of non cash assets to owners' (effective 1 July 2009)
- IFRIC 18, 'Transfer of assets from customers' (effective 1 July 2009 EU endorsed 31 October 2009)

(c) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:

- IFRS 9, 'Financial instruments' (effective 1 January 2013)
- Amendments to IAS 24, 'Related party disclosures' (effective 1 January 2011)
- Amendments to IAS 32, 'Classification of rights issues' (effective 1 February 2010)
- Amendments to IFRIC 14, 'Prepayments of a minimum funding requirement' (effective 1 January 2011)
- Amendments to IFRIC 19, 'Extinguishing financial liabilities with equity instruments' (effective 1 July 2010)

Management is currently assessing the effect of the above changes on future reporting by Unibet.

4 Operating Segments

(a) Reconciliation of segment revenues to profit from operations

For the six months ended 30 June 2010 GBP '000	Nordic Region	Western Europe	Central, Eastern & Southern Europe	Other	Total
Gross Winnings Revenue	36,413	36,303	9,930	1,913	84,559
Free bets	-1,088	-1,458	-1,016	-20	-3,582
Gross Winnings Revenue as reported	<u>35,325</u>	<u>34,845</u>	<u>8,914</u>	<u>1,893</u>	80,977
Cost of Sales	-2,271	-2,965	-3,533	-2,516	-11,285
Gross profit	<u>33,054</u>	<u>31,880</u>	<u>5,381</u>	<u>-623</u>	69,692
Marketing costs					-20,475
Administrative expenses					-30,204
Profit from operations					<u>19,013</u>

For the six months ended 30 June 2009 GBP '000	Nordic Region	Western Europe	Central, Eastern & Southern Europe	Other	Total
Gross Winnings Revenue	31,738	26,728	9,938	661	69,065
Free bets	-1,120	-1,152	-636	-6	-2,914
Gross Winnings Revenue as reported	<u>30,618</u>	<u>25,576</u>	<u>9,302</u>	<u>655</u>	66,151
Cost of Sales	-2,180	-2,227	-2,643	-808	-7,858
Gross profit	<u>28,438</u>	<u>23,349</u>	<u>6,659</u>	<u>-153</u>	58,293
Marketing costs					-16,866
Administrative expenses					-28,626
Profit from operations					<u>12,801</u>

(b) Product revenues by principal product groups

	Six months ended 30 June 2010 GBP '000	Six months ended 30 June 2009 GBP '000
Sports Betting	35,717	23,628
Casino	28,520	25,302
Poker	11,804	12,077
Other	4936	5,144
Total Gross Winnings Revenue	<u>80,977</u>	<u>66,151</u>

5 Intangible assets and property, plant & equipment

	Intangible assets GBP '000	Property, plant & equipment GBP '000
Six months ended 30 June 2010		
Opening net book amount 1 January 2010	26,597	2,951
Additions	2,648	579
Disposals	-	-13
Currency translation adjustment	-175	-14
Depreciation / amortisation	-3,862	-859
Closing net book amount at 30 June 2010	25,208	2,644
Six months ended 30 June 2009		
Opening net book amount 1 January 2009	31,570	3,993
Additions	1,102	386
Acquisition through business combination	-10	-217
Currency translation adjustment	-1,774	-84
Depreciation / amortisation	-3,976	-904
Closing net book amount at 30 June 2009	26,912	3,174

6 Capital

	Number of shares (thousands)	Share capital GBP '000	Share premium GBP '000	Total GBP '000
Opening balance 1 January 2010	28,258	141	74,044	74,185
At 30 June 2010	28,258	141	74,044	74,185
Opening balance 1 January 2009	28,241	141	73,838	73,979
At 30 June 2009	28,241	141	73,838	73,979

Employee share option scheme: No options were exercised during the first half of 2009. During the first half of 2010 25,695 options were exercised using SDRs from Unibet's Share buy back programme initiated in 2007.

7 Borrowing and loans

	30 June 2010 GBP '000	30 June 2009 GBP '000
Non-current	-	55,162
Current	19,624	-
Total	19,624	55,162

Movements in borrowings are analysed as follows:

	Current GBP '000	Total GBP '000
Opening balance 1 January 2010	21,403	21,403
Repayment of borrowings	-88	-88
Unrealised exchange adjustment	-1,691	-1,691
At 30 June 2010	19,624	19,624

8 Dividends

A dividend of GBP 0.71 per ordinary share was approved at the AGM on 6 May 2010 and was paid on 17 May 2010.

9 Related party transactions

Executive management have loans outstanding with a Group company at varying rates of interest based on market rates. The aggregate loans and interest at 30 June 2010 were GBP 163,532 (2009: GBP 170,358).

10 Foreign exchange gains/losses

Unibet operates internationally and its results are significantly influenced by changes in exchange rates, especially between the GBP, EUR, SEK, DKK and NOK. The impact of exchange rates is summarised below:

	Six month ended 30 June 2010 GBP '000	Six month ended 30 June 2009 GBP '000
Included in Administrative expenses:		
Exchange gain/(loss) on operating assets and liabilities	643	-2,712
Included in Finance costs:		
Translation gain on borrowings	1,691	6,826

11 Contingent liabilities

Currently the group has not provided for potential or actual claims arising from the promotion of gaming activities in certain jurisdictions. Based on current legal advice the Directors do not anticipate that the outcome of proceedings and potential claims, if any, will have a material adverse effect upon the Group's financial position. Further details can be found in the General Legal Environment section of the 2009 Annual Report, on pages 28 and 29.

KEY RATIOS

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

	Q2 2010	Q2 2009	Jan - June 2010	Jan - June 2009	Full Year 2009
Operating margin, % (Profit from operations/revenue for the period)	21.53%	6.45%	23.48%	19.35%	23.68%
Return on total assets, % (Profit after tax/average of opening and closing assets for the period)	4.1%	2.4%	8.7%	6.9%	12.2%
Return on average equity, % (annualised) (EBIT/average of opening and closing equity for the period)	26.5%	7.3%	31.5%	25.2%	29.3%
Equity/assets ratio, %	56%	47%	56%	47%	58%
EBITDA margin, %	28%	14%	29%	27%	30%
Net cash/EBITDA (rolling 12 months basis)	0.230	0.529	0.230	0.529	0.273
Employees at period end	499	433	499	433	465
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	1.350	1.997	1.350	1.997	1.407
Net cash less debt per share (GBP) (total cash at period end less customer liabilities and borrowings/number of shares at end of period)	-0.305	-0.798	-0.305	-0.798	-0.352
Operating cashflow before movements in working capital per share (GBP)	0.388	0.163	0.854	0.647	1.526
Earnings per share (GBP)	0.324	0.192	0.664	0.548	0.957
Fully diluted earnings per share (GBP)	0.324	0.191	0.661	0.548	0.956
Number of shares at period end ¹	28,258,038	28,241,092	28,258,038	28,241,092	28,258,038
Fully diluted number of shares at period end	28,258,911	28,320,431	28,258,911	28,320,431	28,322,407
Average number of shares	28,067,063	27,943,192	28,057,427	27,943,192	27,955,464
Average number of fully diluted shares	28,113,350	28,012,032	28,149,363	27,962,275	27,989,238

NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

Sports Betting gross margins

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

GBP '000

	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 YTD	2009 FY
Sports Betting Stakes	288,643	287,515	242,259	220,436	217,054	202,957	576,158	882,706
<i>Sports Betting Gross Winnings Revenue (GWR):</i>								
Live Betting	7,273	7,173	5,643	3,656	3,941	3,380	14,446	16,621
<i>Live Betting Margin %</i>	4.6%	4.8%	4.7%	3.3%	3.5%	3.7%	4.7%	3.8%
<i>Live Betting Share %</i>	37.0%	36.5%	27.8%	35.9%	37.3%	21.2%	36.8%	29.2%
Other Betting	12,395	12,458	14,653	6,524	6,622	12,599	24,853	40,397
<i>Other Betting Margin %</i>	9.5%	9.0%	11.9%	6.0%	6.3%	11.3%	9.3%	9.0%
<i>Other Betting Share %</i>	63.0%	63.5%	72.2%	64.1%	62.7%	78.8%	63.2%	70.8%
Total before Free Bets	19,668	19,631	20,296	10,180	10,563	15,979	39,299	57,018
<i>Sports Betting margin % (before Free Bets)</i>	6.8%	6.8%	8.4%	4.6%	4.9%	7.9%	6.8%	6.5%
Free Bets	-1,595	-1,987	-1,557	-1,381	-1,218	-1,696	-3,582	-5,852
Total after Free Bets	18,073	17,644	18,739	8,799	9,345	14,283	35,717	51,166
<i>Sports Betting margin % (after Free Bets)</i>	6.3%	6.1%	7.7%	4.0%	4.3%	7.0%	6.2%	5.8%

Gross Winning Revenue (GWR) by region

(based on country of residence of customer)

GBP '000

SPORTS BETTING

Sports Betting GWR by region	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 YTD	2009 FY
Nordics	7,559	6,418	7,798	3,805	3,896	5,926	13,977	21,425
Western Europe	9,314	9,928	9,601	5,015	5,472	6,360	19,242	26,448
Central, Eastern and Southern Europe	2,072	2,717	2,400	1,466	1,109	3,494	4,789	8,469
Other	723	568	497	-106	86	199	1,291	676
Total GWR before Free Bets	19,668	19,631	20,296	10,180	10,563	15,979	39,299	57,018
Free Bets	-1,595	-1,987	-1,557	-1,381	-1,218	-1,696	-3,582	-5,852
Total GWR after Free Bets	18,073	17,644	18,739	8,799	9,345	14,283	35,717	51,166

NON-SPORTS BETTING

Non-Sports Betting GWR by region	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 YTD	2009 FY
Nordics	10,908	11,528	11,915	11,062	10,240	11,676	22,436	44,893
Western Europe	8,295	8,766	7,923	7,157	7,296	7,600	17,061	29,976
Central, Eastern and Southern Europe	1,586	3,555	3,229	2,910	2,987	2,348	5,141	11,474
Other	365	257	261	172	174	202	622	809
Total	21,154	24,106	23,328	21,301	20,697	21,826	45,260	87,152

TOTAL

Total GWR by region	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 YTD	2009 FY
Nordics	18,467	17,946	19,713	14,867	14,136	17,602	36,413	66,318
Western Europe	17,609	18,694	17,524	12,172	12,768	13,960	36,303	56,424
Central, Eastern and Southern Europe	3,658	6,272	5,629	4,376	4,096	5,842	9,930	19,943
Other	1,088	825	758	66	260	401	1,913	1,485
Total GWR before Free Bets	40,822	43,737	43,624	31,481	31,260	37,805	84,559	144,170
Free Bets	-1,595	-1,987	-1,557	-1,381	-1,218	-1,696	-3,582	-5,852
Total GWR after Free Bets	39,227	41,750	42,067	30,100	30,042	36,109	80,977	138,318

Share of total GWR %

(before Free Bets)

Nordics	45%	41%	45%	47%	45%	47%	43%	46%
Western Europe	43%	43%	40%	39%	41%	37%	43%	39%
Central, Eastern and Southern Europe	9%	14%	13%	14%	13%	15%	12%	14%
Other	3%	2%	2%	0%	1%	1%	2%	1%

Gross Winning Revenue (GWR) by product

(after Free Bets)

GBP '000

Total GWR by product	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 YTD	2009 FY
Sports Betting	18,073	17,644	18,739	8,799	9,345	14,283	35,717	51,166
Casino	14,236	14,284	13,619	13,155	12,713	12,589	28,520	52,077
Poker	4,695	7,109	6,705	5,657	5,379	6,698	11,804	24,439
Other	2,223	2,713	3,004	2,489	2,605	2,539	4,936	10,636
Total	39,227	41,750	42,067	30,100	30,042	36,109	80,977	138,318

Share of total GWR %

(after Free Bets)

Sports Betting	46%	42%	45%	29%	31%	40%	44%	37%
Casino	36%	34%	32%	44%	42%	34%	35%	37%
Poker	12%	17%	16%	19%	18%	19%	15%	18%
Other	6%	7%	7%	8%	9%	7%	6%	8%