



**RESULTS FOR THE YEAR ENDED
31 DECEMBER 2012**

AGENDA

Brian Mattingley | Introduction

Aviad Kobrine | Financial Review

Itai Frieberger | Operational Review

Brian Mattingley | Summary

Q&A



BRIAN MATTINGLEY, CEO | INTRODUCTION

SUMMARY RESULTS

- Another record year of revenue up **13%** to **\$376m** (2011: \$331m)
- Marketing ratio **35%** (2011: 31%)
- Adjusted EBITDA¹ up **20%** to **\$67m** (2011: \$56m)
- Adjusted EBITDA Margin¹ increase to **17.8%**, (2011: 16.8%)
- Corporate cash of **\$32m**
- Final Dividend **4.5¢** as per policy plus one off **2¢**, total Dividend **9¢**

¹ As defined in the 2012 Annual Report.

STRATEGY

- Focus on B2C
 - Continuous product development
 - Local market focus
 - Bespoke marketing solutions
 - Innovation – remain leading edge
 - First class CRM – conversion and retention
- Development of new revenue streams
 - Newly regulating markets
 - US opportunity
 - Mobile “Touch”
 - Social
- B2B
 - Preserve Bingo leadership
 - Expansion into the US

US OPPORTUNITY

- Three part strategy:
 - B2B, strategic alliance, joint venture
 - Avenue JV:
 - Launch B2C into the US market when regulated
 - Equal partners
 - Provide financial firepower to capture US opportunity
 - 888 provides technology
- Nevada – part way through licensing process
- New Jersey – license applied for
- Working with regulators, adapted software
 - Built data centre
 - Formulated execution plan
- Cautiously optimistic

FOCUS FOR 2013

- Continue to invigorate core product and drive revenue growth
- Preparation for launch in regulating US states
- Continued investment in mobile
- Strategic evaluation of Sports offering
- Opportunities for social
- Increase market share in newly regulated markets



AVIAD KOBRINE, CFO | FINANCIAL REVIEW

HIGHLIGHTS

- Another record year of revenue up **13%**, at **\$376m**
- Revenue B2C up **16%** to **\$330m**
 - Revenue Casino B2C up **12%** to **\$165m**
 - Revenue Poker B2C up **44%** to **\$88m**
 - Casino & Poker B2C first time depositors up **31%**
- Adjusted EBITDA¹ up **20%** to **\$67m**
- Adjusted EBITDA Margin¹ increase to **17.8%**, (2011: 16.8%)
- Adjusted PBT¹ **\$54m** (2011: \$29.5m)
- Adjusted EPS **13.9¢** (2011: 7.4¢)
- Cash position **\$82m** - \$32m corporate cash, \$50m customers
- Dividend **7¢** per pay out policy + one off **2¢** => **9¢** for the year

¹ As defined in the 2012 Annual Report.

PROFIT AND LOSS ACCOUNT¹

\$m	2012	2011	% Change
Revenue	375.8	331.2	13%
Operating expenses ^{2,3}	113.5	108.6	
Gaming taxes and duties ⁴	11.5	7.3	
Research and development expenses	27.2	29.9	
Selling and marketing expenses	131.2	102.3	
<i>% of Revenues</i>	34.9%	30.9%	
Administrative expenses ^{3,5,6}	25.7	27.5	
Adjusted EBITDA^{3,4,5}	66.8	55.6	20%
<i>% of Revenues</i>	17.8%	16.8%	
Finance income and expenses, and others ⁷	1.9	(13.1)	
Depreciation & Amortization	(14.8)	(13.0)	
Adjusted Profit (Loss) Before Tax^{3,4,5,6,8}	53.9	29.5	82%
Taxation and other	(5.4)	(3.8)	
Adjusted Profit after tax^{3,4,5,6,8}	48.4	25.7	
Adjusted EPS	13.9 ¢	7.4 ¢	

¹ Totals may not sum due to rounding.

² Excluding depreciation of US\$9.2 million (2011: US\$9.0 million) and amortisation of US\$5.6 million (2011: US\$4.0 million).

³ Excluding restructuring costs of nil (2011: US\$4.9 million out of which US\$1.0 related to Operating expenses and US\$3.9 million to Administrative expenses).

⁴ Excluding retroactive duties and associated charges of US\$11.1 million (2011: nil)

⁵ Excluding share benefit charges of US\$1.7 million (2011: US\$2.4 million)

⁶ Excluding impairment charges of US\$2.2 million (2011: US\$20.7).

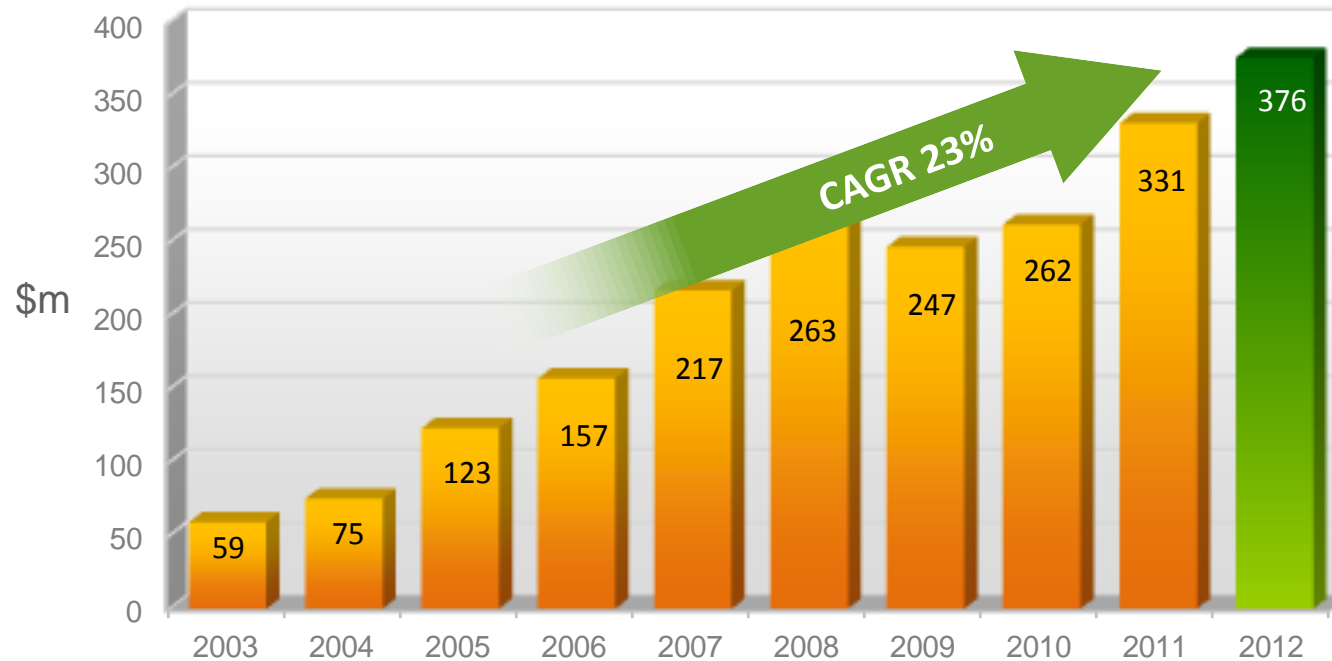
⁷ Comprising Finance income equal to US\$4.6 million (2011: US\$0.2 million) net of Finance expenses equal to US\$2.7 million (2011: US\$13.3 million).

⁸ Excluding movement in contingent and deferred consideration of US\$2.0 million (2011: US\$4.2).

REVENUE

- 2012- revenue up **13%** to **\$376m** (2011: \$331m)
- 2012- highest revenue in 888 history
- 23% CAGR

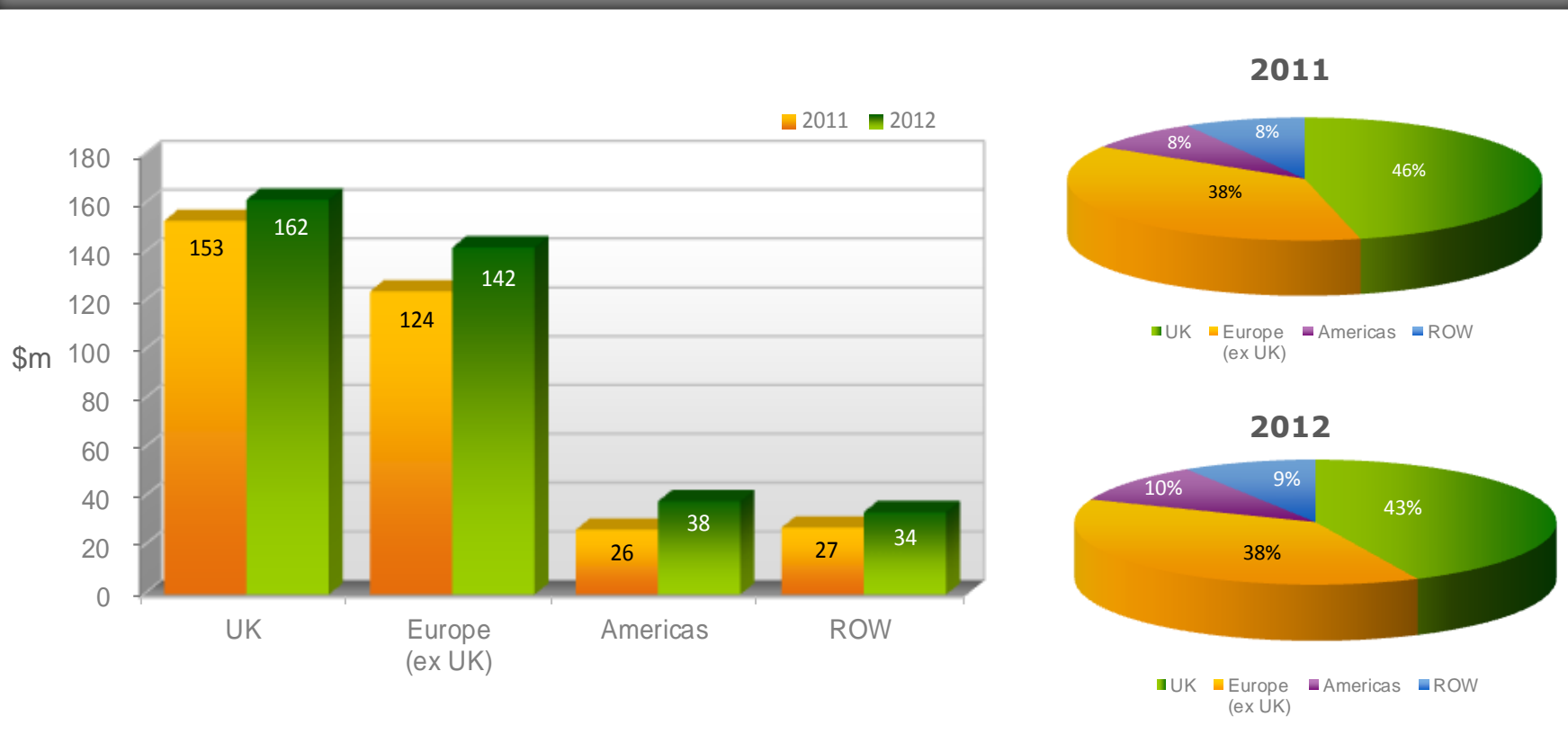
Revenue 2003 – 2012(\$m)



GEOGRAPHICAL SEGMENTATION

- Revenue growth across all markets : UK **6%**, Europe **14%**, Americas **44%**, ROW **23%**
- UK represents **43%** of Total Revenue in 2012 (2011: 46%)
- More than 50% of revenue generated from regulated markets

Geographic segmentation, Total Revenue 2011 and 2012

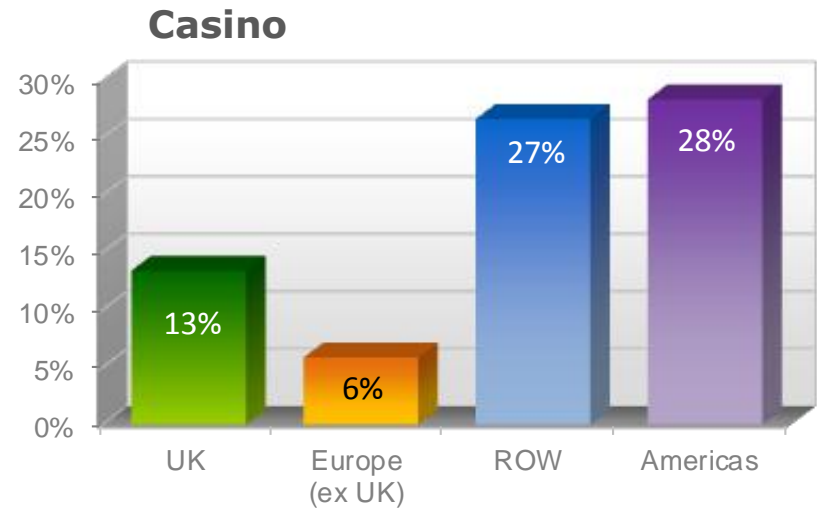
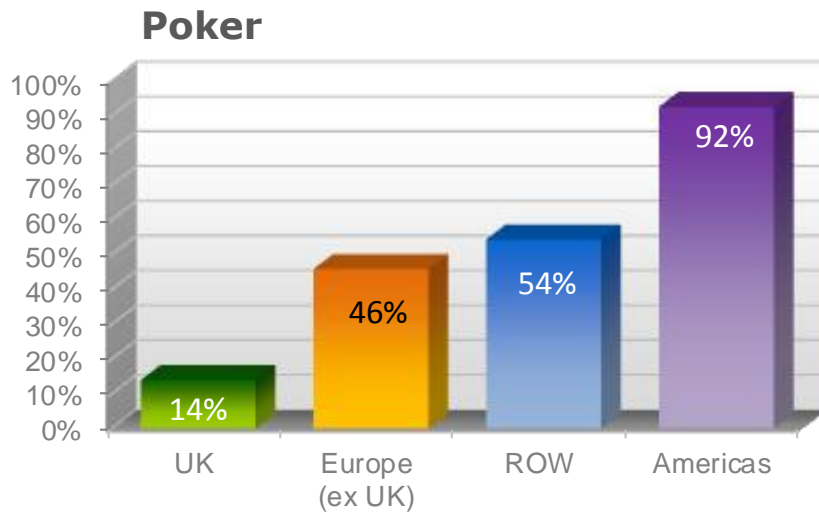


* Americas region incorporates Mytopia Social Networks volumes, including US

GEOGRAPHICAL GROWTH PER REGION/PRODUCT

- Casino maintains growth across all regions
- Poker growing faster outside of the UK with Europe generating the highest growth in absolute terms

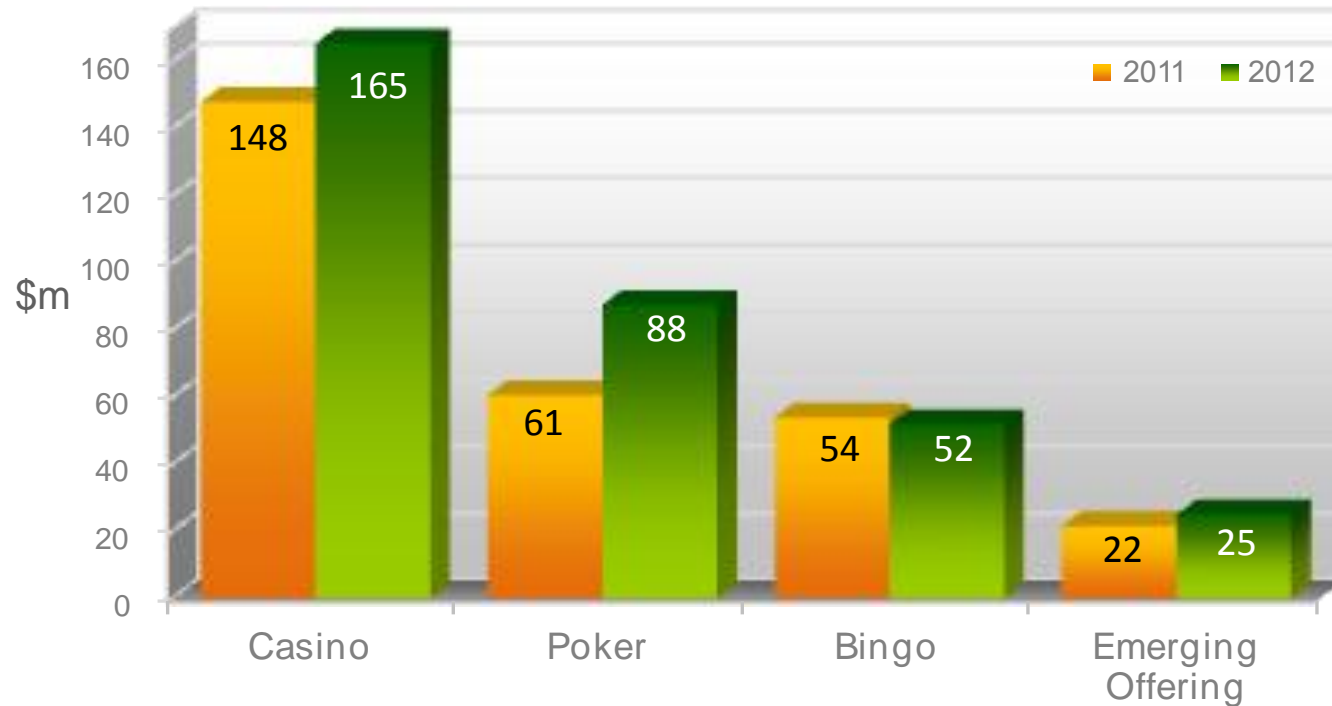
Casino & Poker B2C Total Revenue Growth in 2012



REVENUE B2C BY PRODUCT

- Casino up **12%**, Poker up **44%**, Bingo down 4%, Emerging Offering up **16%**

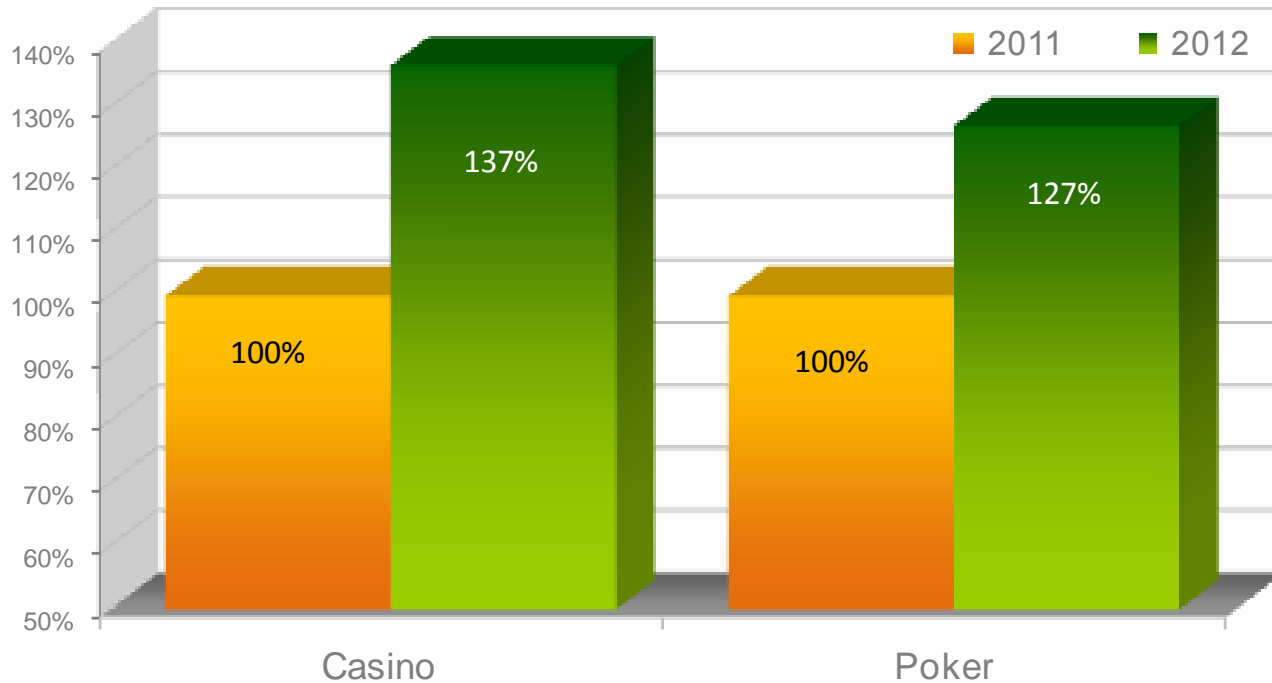
Revenue B2C 2012 vs. 2011 (\$m)



B2C CASINO AND POKER FTDS

- Casino up **37%** boosted by regulated markets, Poker up **27%** over strong prior year comparable

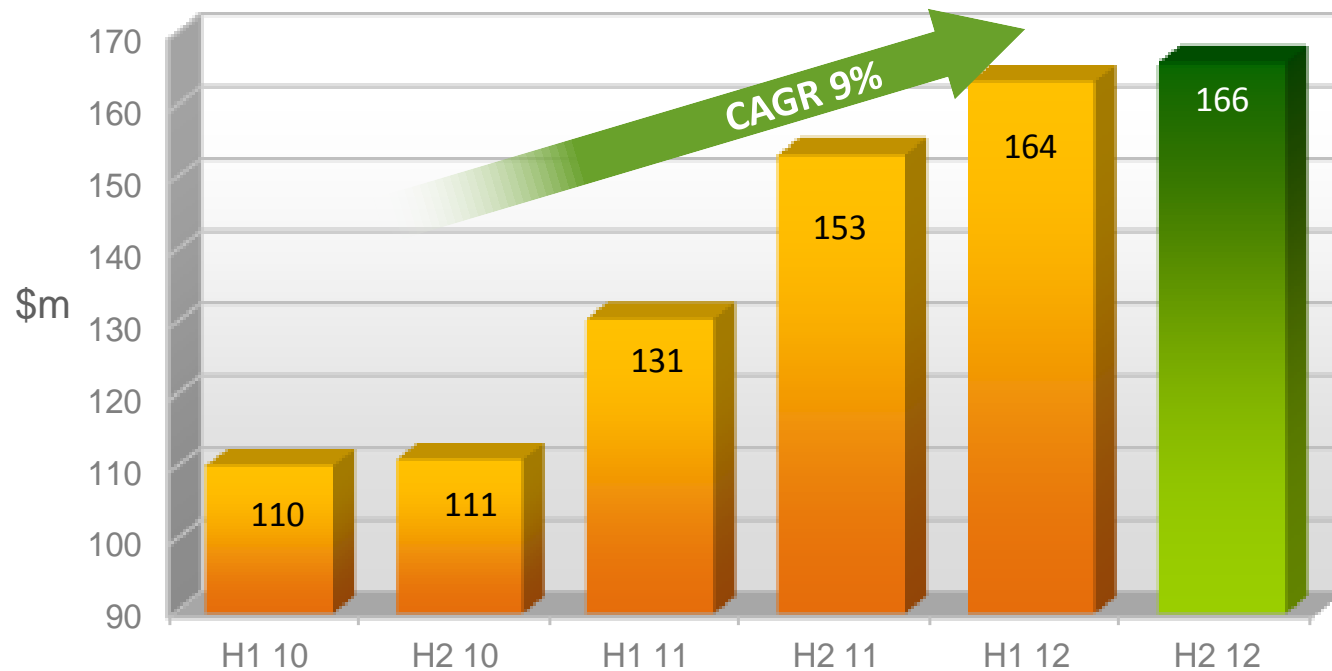
B2C FTDS 2012 vs. 2011



REVENUE B2C

- H2 2012 Revenue up **8%** to **\$166m** (H2 2011: \$153m)
- H2 2012 incorporates the 2012 London Olympic games

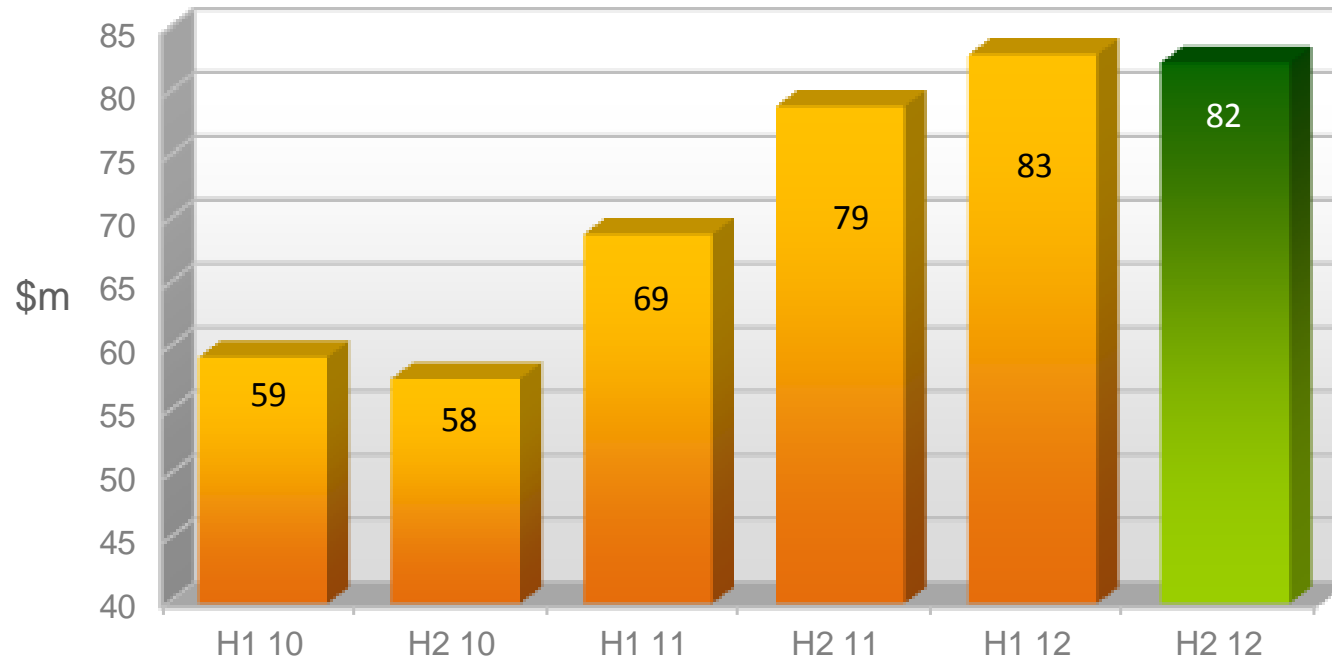
Revenue B2C H1 2010 – H2 2012 (\$m)



REVENUE CASINO B2C

- H2 2012 Revenue up **4%** to **\$82m** (H2 2011: \$79m)
- H2 includes the affect of both 2012 London Olympic games and the limitation of the Spanish regulation on Casino offering

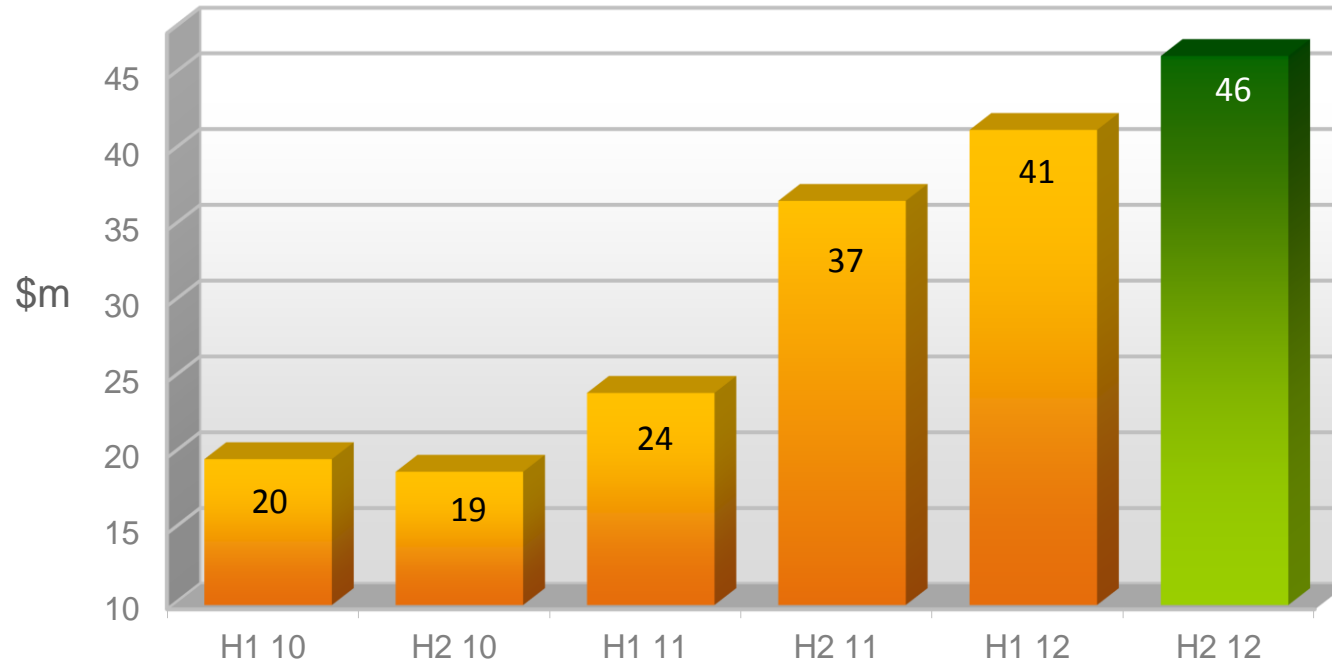
Revenue Casino B2C H1 2010 – H2 2012 (\$m)



REVENUE POKER B2C

- H2 2012 Revenue up **26%** to **\$46m** (H2 2011: \$37m)
- Poker increase is driven by successful Spanish migration and strong liquidity levels despite summer sport events

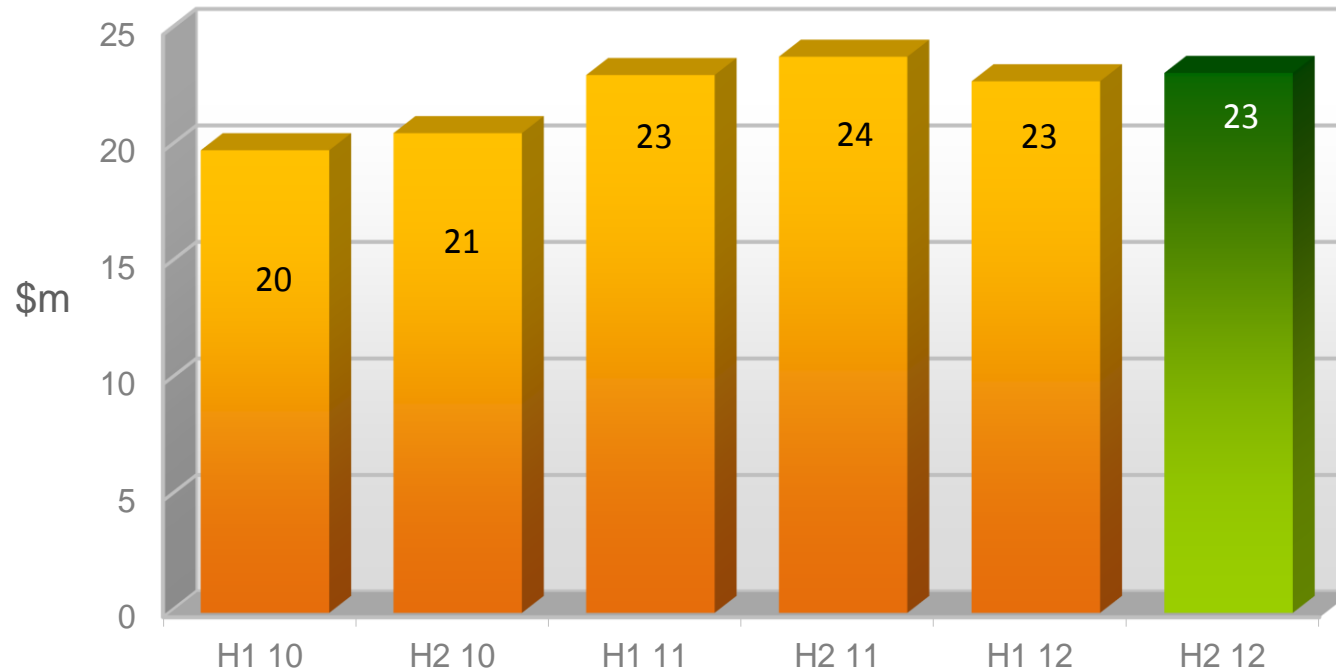
Revenue Poker B2C H1 2010 – H2 2012 (\$m)



REVENUE B2B

- H2 2012 revenue down 3% to **\$23m** (H2 2011: \$24m)
- B2B continues to optimise the blend of customers and selected deals

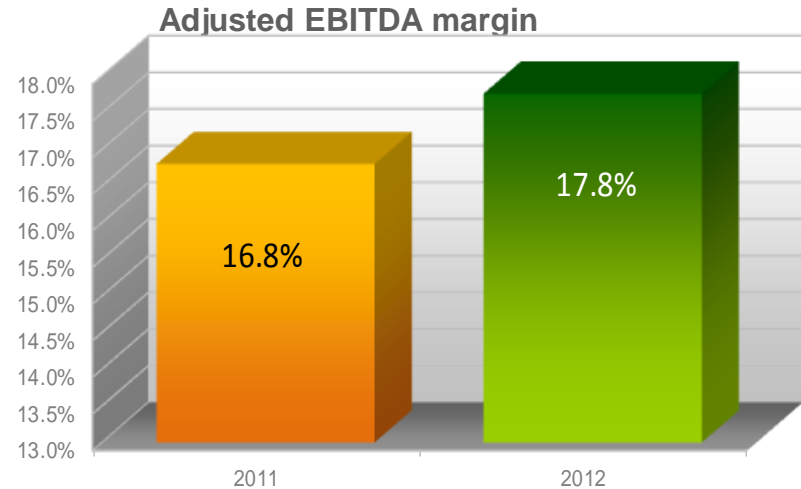
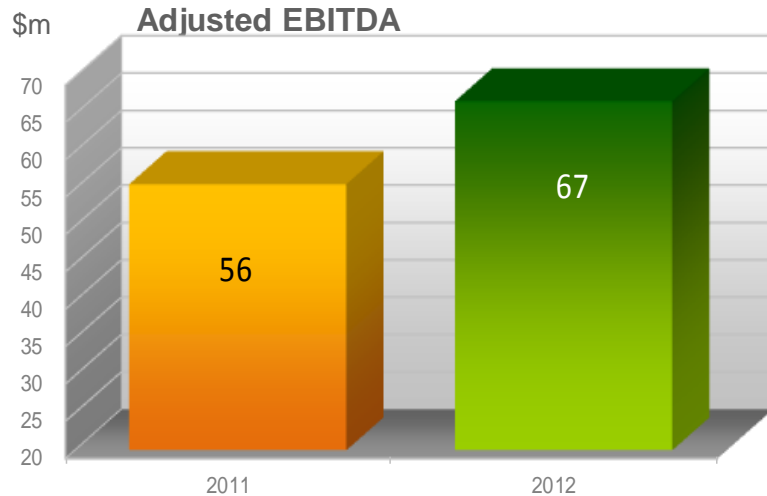
Revenue B2B H1 2010 – H2 2012 (\$m)



ADJUSTED EBITDA AND MARGIN

- Adjusted EBITDA up **20%** to **\$67m** (2011: \$56m)
- Adjusted EBITDA margin up to **18%** (2011: 17%)

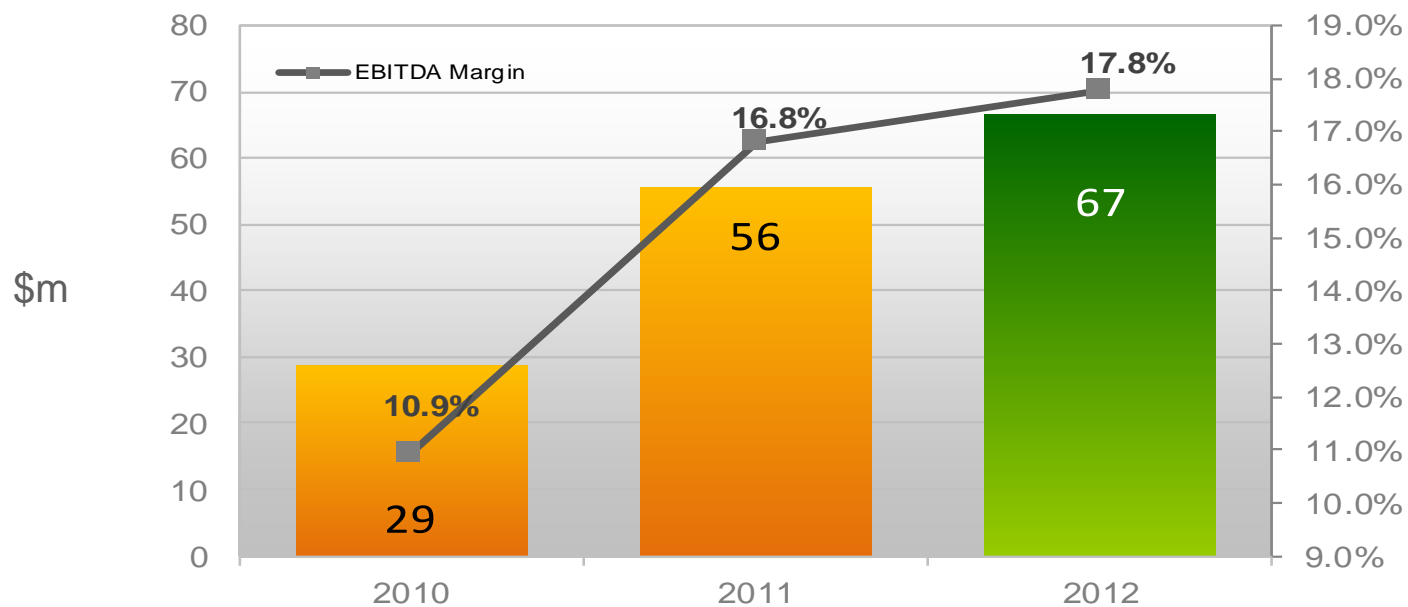
Adjusted EBITDA 2012 vs. 2011



ADJUSTED EBITDA TREND

- Both Adjusted EBITDA and margin on the rise

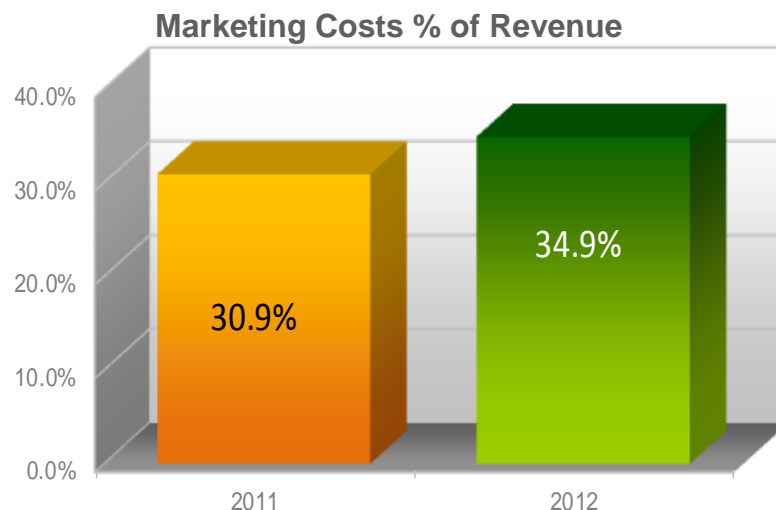
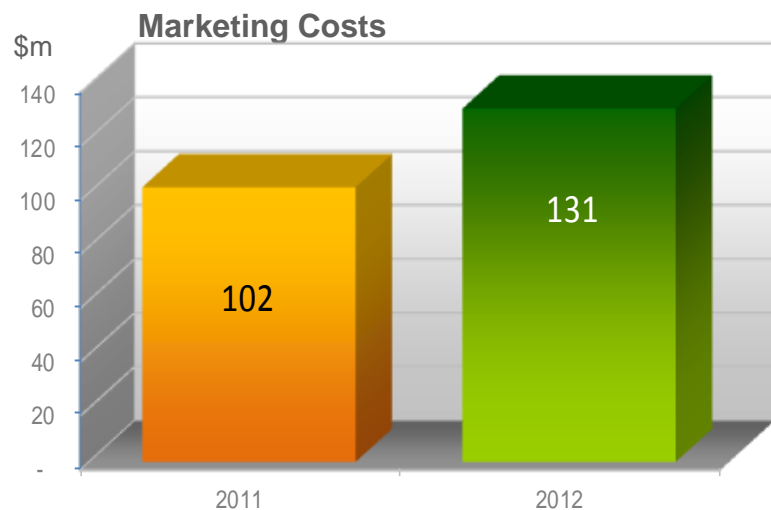
Adjusted EBITDA 2010-2012



MARKETING COST RATIO

- Marketing ratio to revenue higher than 2011, given investment in regulated markets and Poker
- CPA* levels continue to be stable despite regulated penetration cost, with overall CPA at 2% above 2011 levels

Marketing Costs 2012 vs. 2011

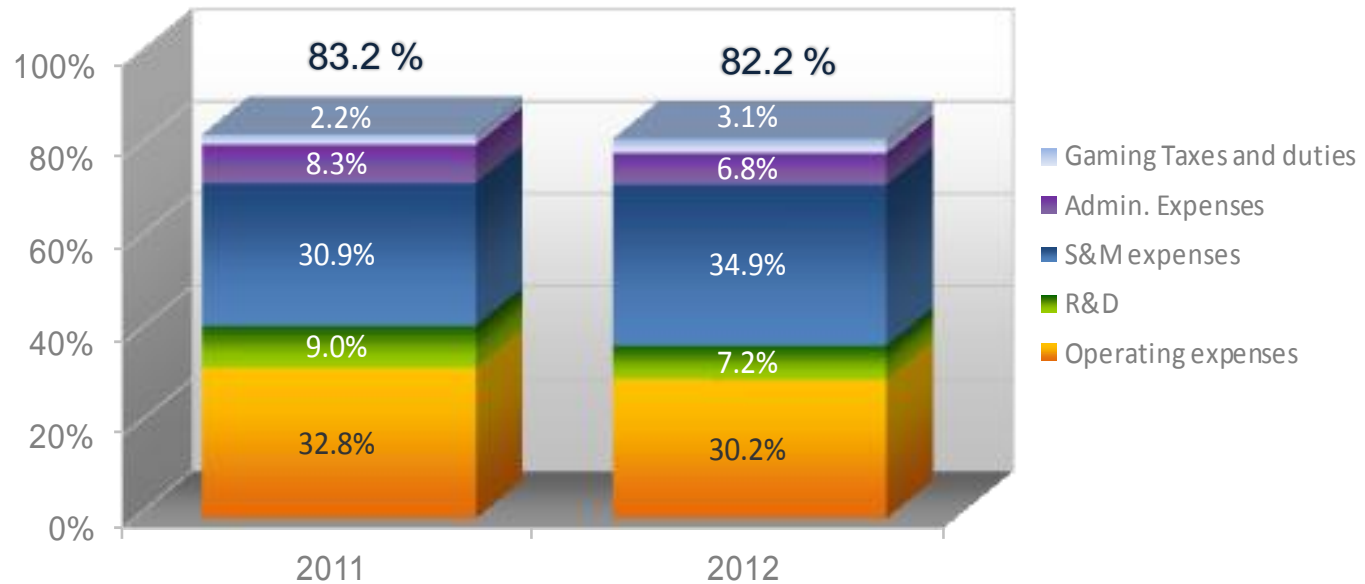


* Excluding Revshare components

COST STRUCTURE

- Cost* percentage down to **82%** (2011: 83%)
- Decreasing cost ratio despite regulated investment and increasing gaming duty costs

Cost as a % of Total Revenue 2012 vs. 2011

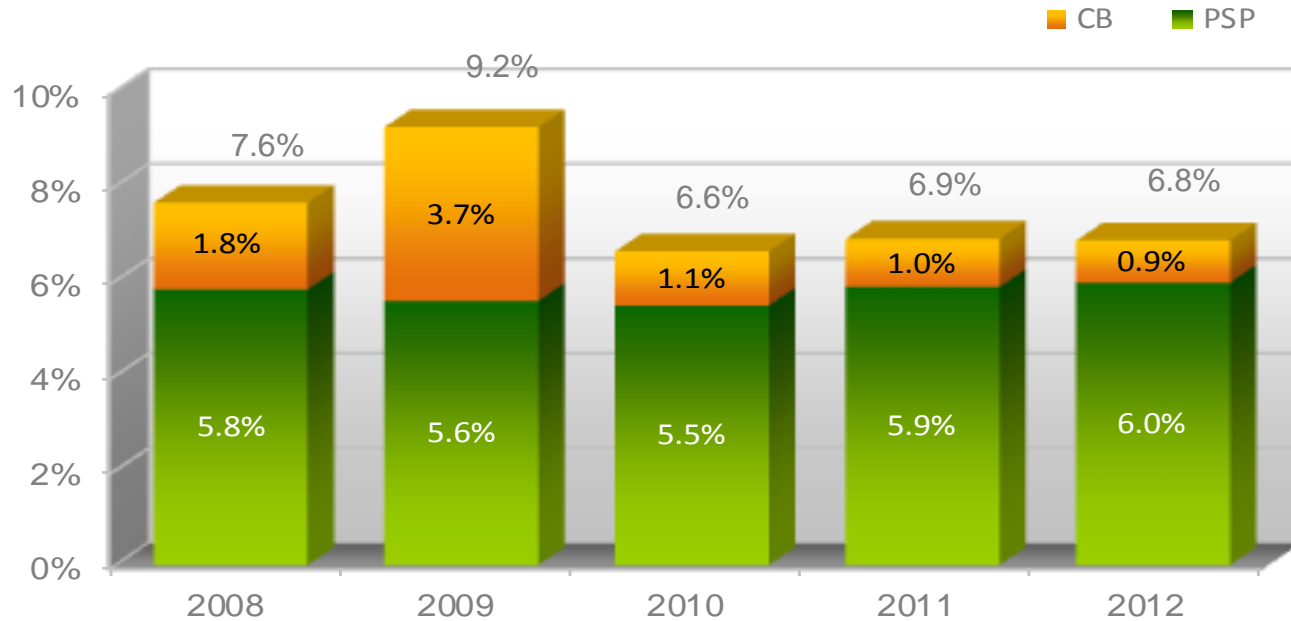


* Excluding share benefit charges, depreciation, amortisation, retroactive duties and associated charges, restructuring and goodwill impairment

CHARGEBACK & PSP FEES

- Stable levels of CB & PSP continue
- 2012 at **6.8%** of Total Revenue (2011: 6.9%)

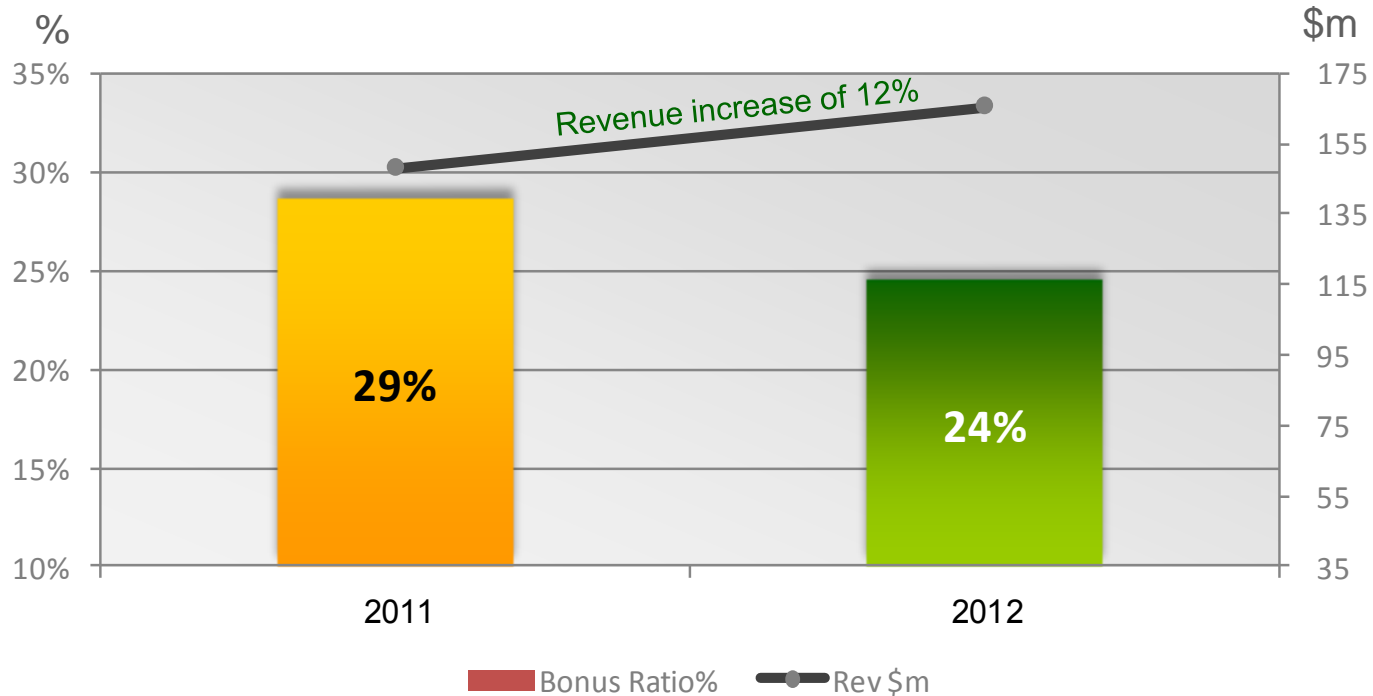
Chargebacks & PSP fees as % of Total Revenue



CUSTOMER INCENTIVES B2C CASINO

- For yet another year, 2012 revenue growth continues to be driven by optimal use of bonuses and CRM efforts

Customer Bonuses as % of Revenue

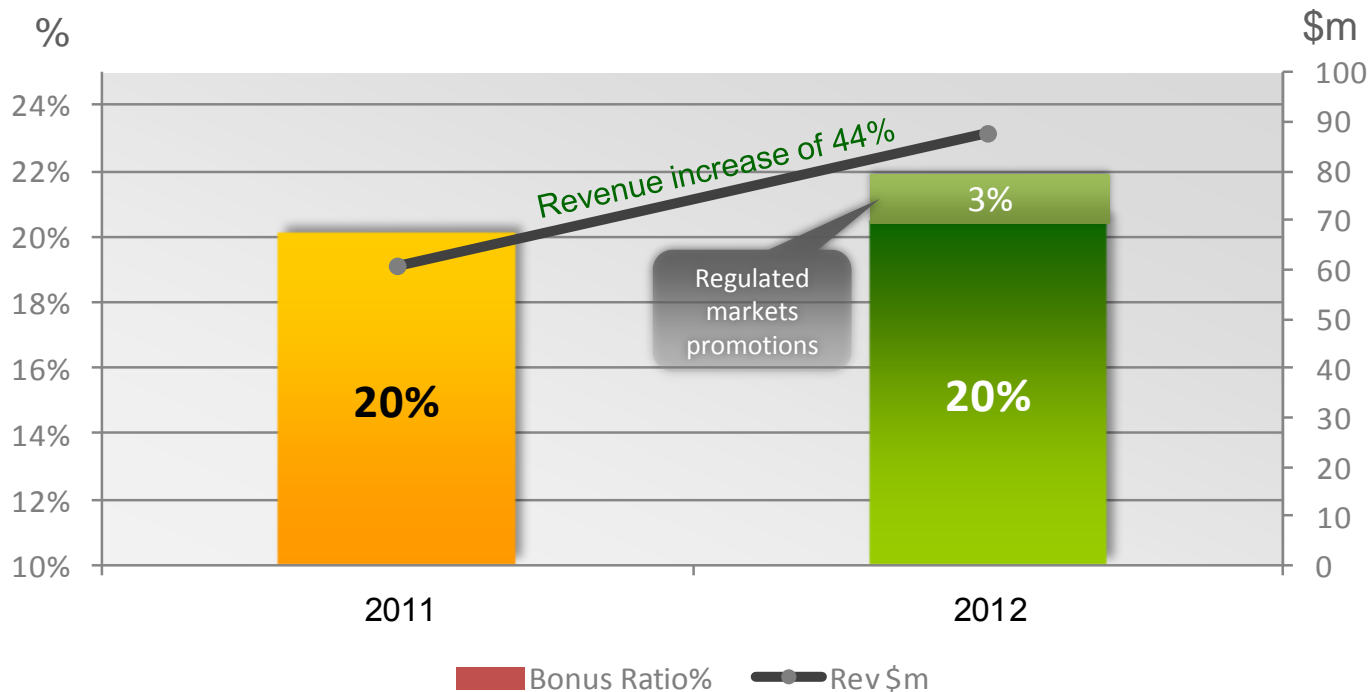


* Including converted Loyalty points

CUSTOMER INCENTIVES B2C POKER

- Poker continues to demonstrate optimal bonus usage, greatly supporting growth
- The successful Spanish launch in this regulated market was supported by an optimal use of customer incentives

Customer Bonuses as % of Revenue



* Including converted Loyalty points

BALANCE SHEET

\$m	31-Dec-12	31-Dec-11
Non-current assets		
Intangible assets	147.7	141.9
Property, plant and equipment	18.3	17.1
Deferred tax & Other financial assets	0.6	0.6
Investment in equity accounted joint ventures	0.0	1.2
	166.6	160.8
Current assets		
Cash and cash equivalents	81.5	75.9
Trade and other receivables	33.0	26.4
Guarantees	3.5	6.0
Total Assets	284.6	269.1
Equity		
Share capital and share premium	3.2	3.2
Retained earnings and reserves	145.0	118.1
Total equity attributable to equity holders	148.2	121.3
Liabilities		
Current liabilities		
Trade and other payables	85.4	65.5
Customer deposits	49.5	44.9
Contingent consideration	0.7	37.4
Non-current liabilities		
Cash settled liability	0.8	0.0
Total equity and liabilities	284.5	269.1

* Rounded

CASH FLOW STATEMENT

\$m Year to 31 December	2012	2011
Cash flows from operating activities		
Profit(loss) before income tax	40.8	5.8
Impairment charges	2.2	20.7
Share benefit charges	1.7	2.9
Depreciation & amortisation	14.8	13.0
Change in current assets and liabilities	20.6	34.4
Other non cash adjustments	(4.4)	6.2
Cash generated from operating activities	75.7	83.1
Tax paid	(5.0)	(4.4)
Net cash generated from operating activities	70.7	78.7
Acquisitions	(36.7)	(46.1)
Purchase of property, plant and equipment	(10.6)	(4.5)
Acquisitions & internally generated intangible assets	(10.8)	(4.3)
Other investment activity	3.0	(4.9)
Net cash used in Investing Activities	(55.1)	(59.8)
Interest paid	(1.1)	(3.7)
Dividends paid and share buy-back	(8.7)	0.0
Net increase (decrease) in cash and cash equivalents	5.6	15.2
Cash and cash equivalents - beginning of period	75.9	60.7
Cash and cash equivalents - end of period	81.5	75.9

* Rounded



ITAI FRIEBERGER, COO | OPERATIONAL REVIEW

OVERVIEW

- Consistency in our performance
- Integrated platform delivers results
 - Marketing
 - Product
 - Analytics
- Continued leadership in poker
- Capture the mobile opportunity
- Successful launch in regulated markets
- Strongly positioned to enter the US market

A YEAR OF RECORD BREAKING MONTHS

CASINO

FIRST TIME DEPOSITORS



POKER

NUMBER OF ACTIVE PLAYERS



B2C

APPROVED DEPOSITS



FIRST TIME DEPOSITORS



SPAIN

REVENUE

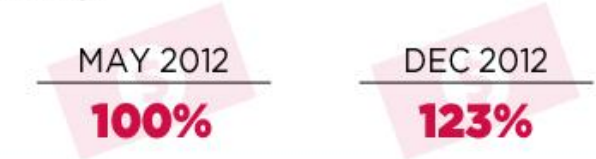


ITALY

FIRST TIME DEPOSITORS

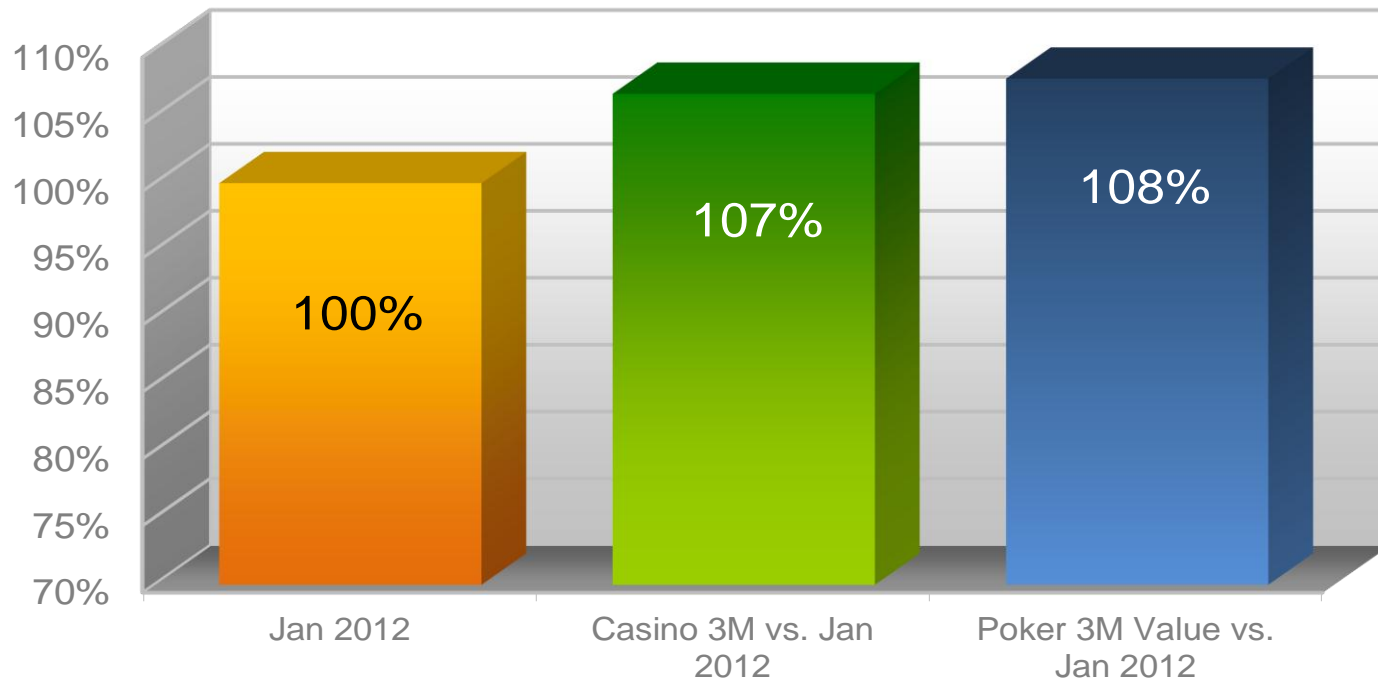


REVENUE



INCREASED PLAYER VALUE

Player Value since Jan 2012



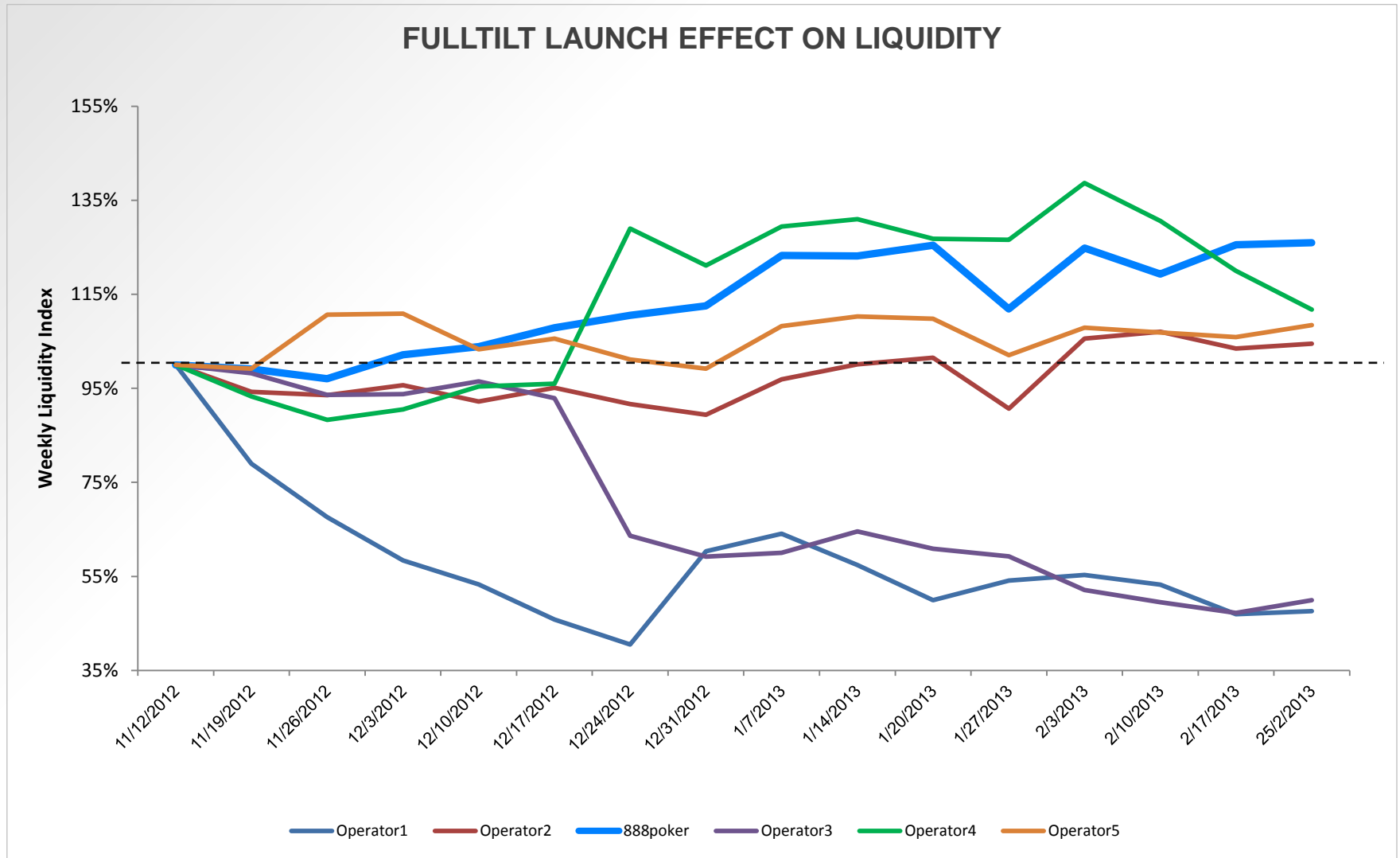
OUR PLATFORM

- Constant innovation
- 500 developers for 15 years
- Shorter cycles – response time
- In-house games studio
- Technology – from a barrier to enabler

MARKETING

- In-house
- Integrated approach
- Thousands of concurrent campaigns
- Near real time ROI assessment
- Automated processes

POKER

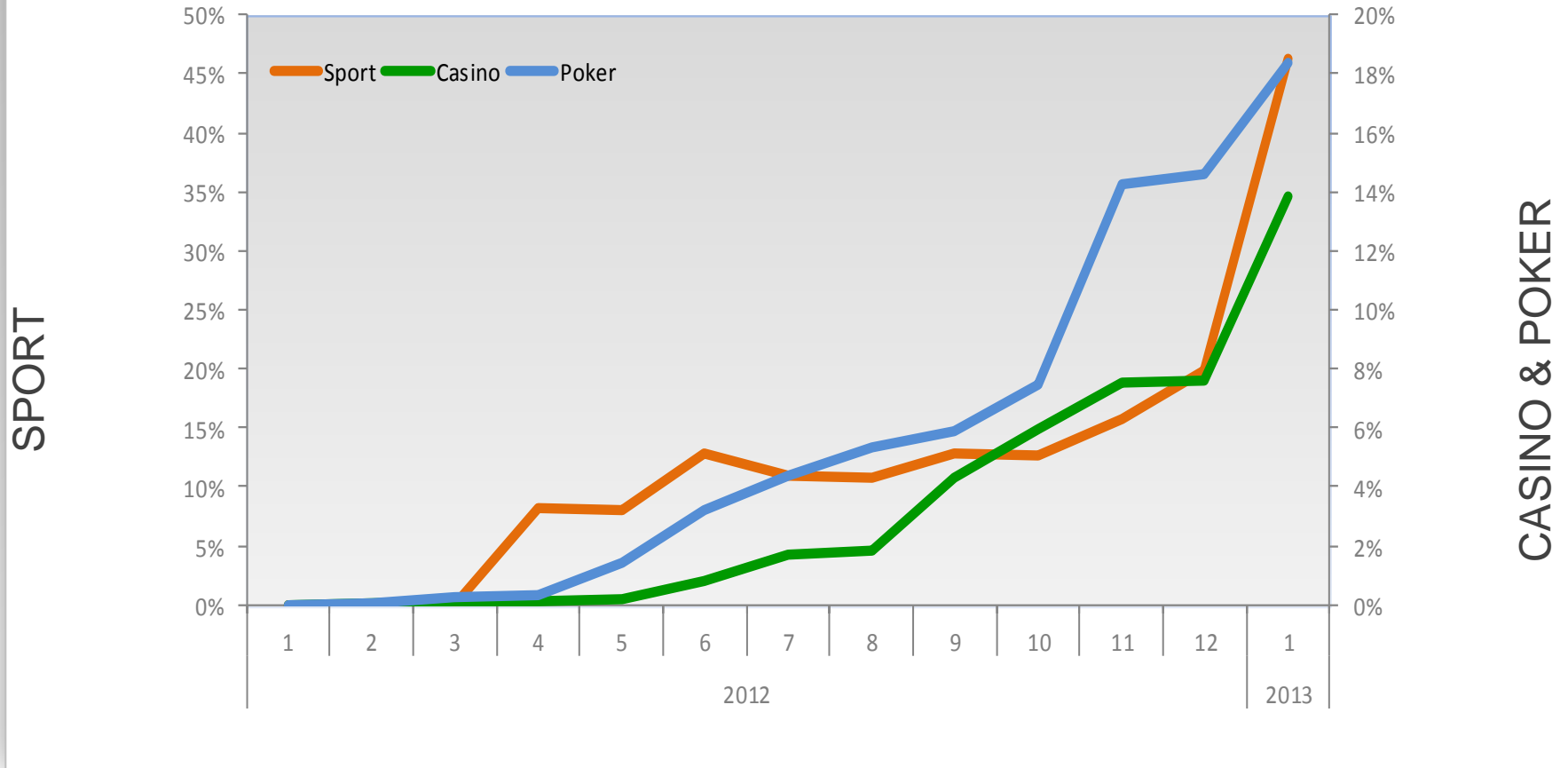


Source: PokerScout weekly average



MOBILE

Mobile Penetration



OPTIMISING THE MOBILE OPPORTUNITY

Top Free iPhone Casino Apps

- Sort By: **Bestsellers**
-  **Coin Dozer Games**
Updated 20 December...
FREE
 -  **Fresh Deck Poker Games**
Updated 03 January 2...
FREE
 -  **Poker by 888 Poker Games**
Updated 29 October 2...
FREE
 -  **Bingo Bash Games**
Updated 07 January 2...
FREE
 -  **888 Dino Slot Games**
Released 21 December 2...
FREE
 -  **Poker by Zynga Games**
Updated 03 January 2...
FREE
 -  **Bingo Blingo Games**
Updated 28 December...
FREE
 -  **Coin Dozer - Seasons Games**
Updated 21 December...
Game Center
FREE
 -  **The Big Pub Quiz Lite Games**
Updated 11 November...
Game Center
FREE
 -  **World Series of Poker Games**
Updated 21 November 2012
FREE

Top Free iPhone Sports Apps

- Sort By: **Bestsellers**
-  **BBC Sport Sports**
Released 07 January ...
FREE
 -  **Sky Sports News f... Sports**
Updated 30 October 2...
FREE
 -  **Sky Sports Live Fo... Sports**
Updated 10 January 2...
FREE
 -  **Sky Sports TV Sports**
Updated 31 July 2012
FREE
 -  **888 sport - Mobile spo... Sports**
Updated 18 October 2012
FREE
 -  **William Hill Sports**
Updated 11 December...
FREE
 -  **ESPN Goals Sports**
Updated 18 December...
FREE
 -  **bet365 Sports**
Released 17 July 2012
FREE
 -  **Transfer News Sports**
Updated 26 August 2...
FREE
 -  **Sky Bet Sports**
Updated 31 July 2012
FREE

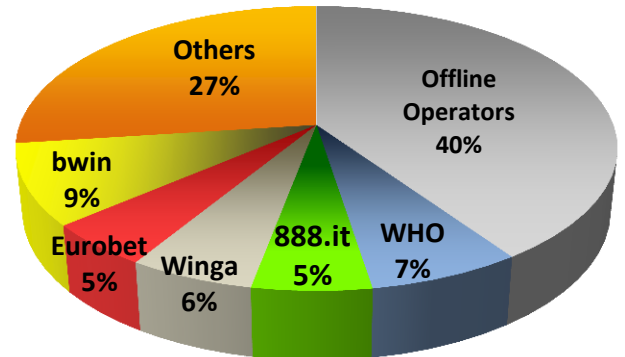
FACEBOOK REAL MONEY



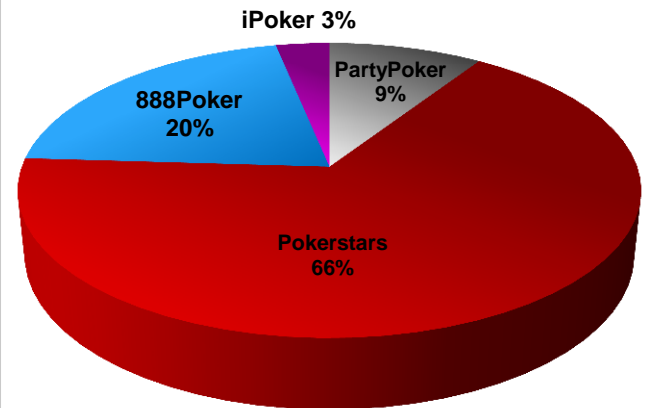
EUROPEAN MARKETS

- Italy
 - Solid market share despite only one product
 - Continued marketing campaigns
 - Introduction of slots in December 2012 - revenues almost doubled
- Spain
 - Two scenario launch strategy and execution plan
 - Swift to act, professional delivery, excellent migration
 - Adapted software, produced marketing campaigns
 - More than 20% market share – No. 2 position

Italian online casino market share
(December 2012)

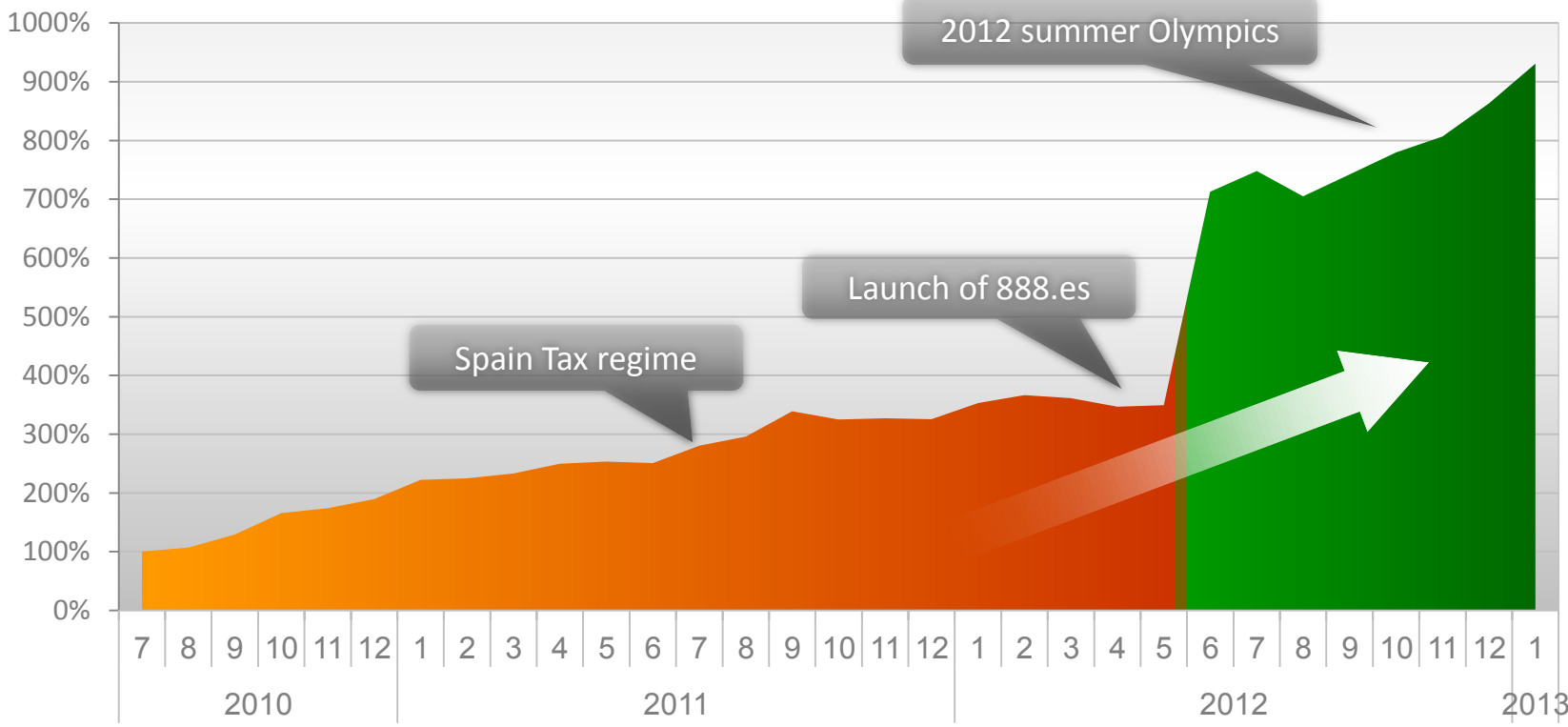


Spanish liquidity market share
(June 12 to Feb 13)



REGULATED MARKETS - SPAIN

888 Spain poker GGR growth



USA



B2B
WSOP.COM



B2C JV
AAPN
ALL-AMERICAN POKER NETWORK



RESELLER
WMS





BRIAN MATTINGLEY, CEO | SUMMARY

SUMMARY AND OUTLOOK

- Strong year – consistent performance
- Continued focus on regulated markets, with proven track record
- Constantly enhancing product capabilities across all verticals
- Introducing new social and mobile offerings
- Sustaining company performance - based on “can-do” culture
- Delivery of key projects in US – significant future opportunity
- Strong current trading - 8% revenue increase over Q1 2012
- Remain confident in outlook for 2013 despite currency challenge



Q&A