



RESULTS FOR THE YEAR ENDED

31 DECEMBER 2015

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AGENDA

Brian Mattingley | Introduction

Itai Frieberger | 2015 Overview

Aviad Kobrine | Financial Review

Itai Frieberger | Operational Review & Summary

Q&A



THE PERFECT STORM

- POC
- VAT
- CURRENCY MOVEMENTS
- M&A DISTRACTION

SUMMARY OF 2015 RESULTS

- Revenue up **12%** on a like for like basis¹
- B2C Revenue up **14%** on a like for like basis¹
- Record Q4 Revenue up **20%** for the Group **23%** for B2C on a like for like basis¹
- Revenue impacted by adverse currency movement of \$35m and \$10m EU VAT
- \$32m² newly introduced gaming duties
- Adjusted EBITDA¹ at **\$81m** (2014: \$101m)
- Adjusted EBITDA margin¹ at **17.4%** (2014: 22.1%)
- Adjusted PBT¹ of **\$56m** (2014: \$68m)
- Adjusted EPS¹ of **15.9c** (2014: 19.2c)
- Strong Cash generation, net cash generated from operating activities represents **105%** of Adj. EBITDA
- Final Dividend of **4.0c** per share (2014: 4.5c), **7.5c** for the year (2014: 8.0c) plus a one-off **8.0c** (2014: 7.0c), a total of **15.5c** (2014: 15.0c) for the year

¹ Like for like as defined in the 2015 annual report.

² Excluding \$2.1m UK POC incurred in December 2014.



AVIAD KOBRINE, CFO | FINANCIAL REVIEW

PROFIT AND LOSS ACCOUNT ¹

\$m	2015	2014	% Change
Revenue (before EU VAT)	472.3	454.7	4%
EU VAT	10.2	-	
Revenue	462.1	454.7	2%
Operating expenses ^{2,3}	127.4	130.3	
Gaming duties ⁴	50.0	15.8	
Research and development expenses	36.8	40.7	
Selling and marketing expenses	138.9	133.8	
<i>% of Revenues</i>	30.1%	29.4%	
Administrative expenses ⁵	28.4	33.4	
Adjusted EBITDA^{3,4,5}	80.6	100.7	-20%
<i>% of Revenues</i>	17.4%	22.1%	
Depreciation, Amortisation and Impairment	18.6	19.0	
Share benefit charges, finance and other	6.4	6.1	
Share of Joint Ventures loss	0.1	7.7	
Adjusted Profit Before Tax	55.5	67.9	-18%
Acquisition costs & retroactive gaming duty	23.0	-	
Profit Before Tax	32.5	67.9	
Taxation	3.0	11.0	
Profit After Tax	29.5	56.9	
Adjusted EPS	15.9 ¢	19.2 ¢	-17%

¹ Totals in this presentation may not sum due to rounding.

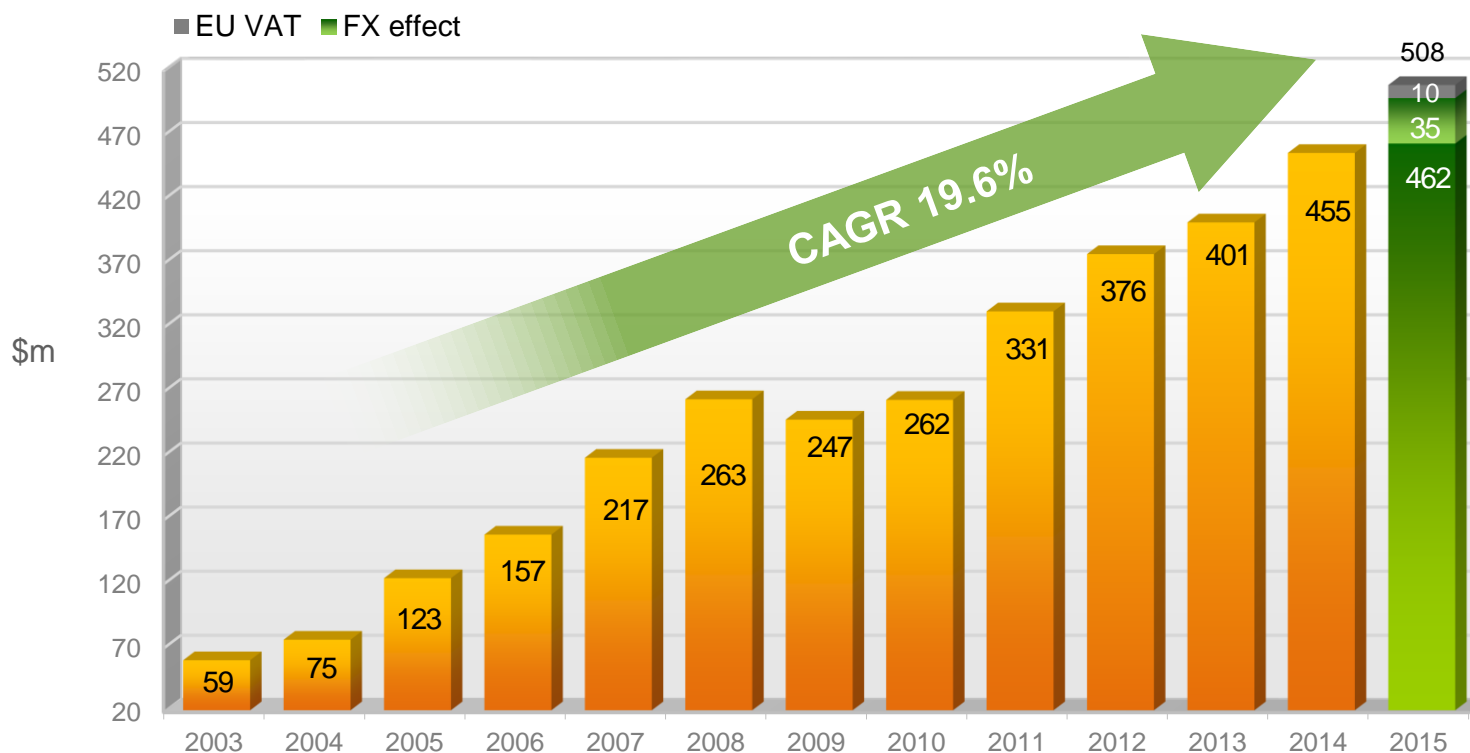
² Excluding depreciation of \$8.9 million (2014: \$9.0 million) and amortisation of \$9.7 million (2014: \$8.3 million). ³ Excluding impairment charges of nil (2014: \$1.7 million)

⁴ Excludes retroactive duties and associated charges of \$8.4m (2014: nil) ⁵ Excluding share benefit charges of \$4.1 million (2014: \$1.7 million)

GROUP REVENUE

- Revenue up **12%** on a like for like basis to **\$507.7m** (2014: \$455m)
- Reported Revenue up **2%** to **\$462m** (2014: \$455m) despite new EU VAT and adverse currency movements
- **19.6%** CAGR since 2003 on a like for like basis and 18.7% on a reported basis

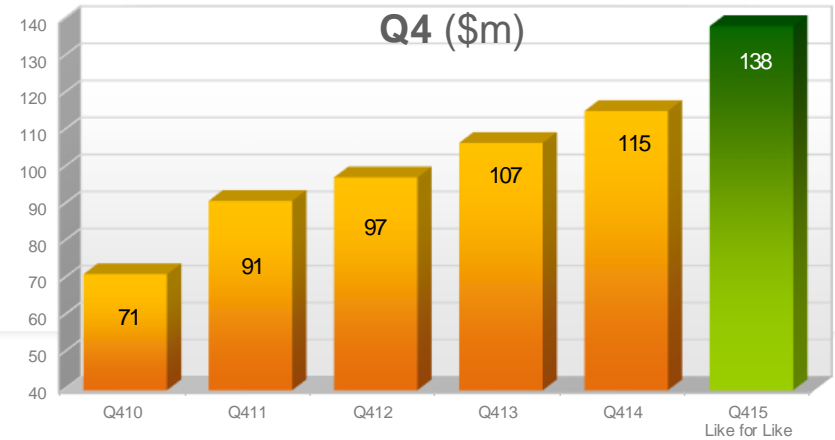
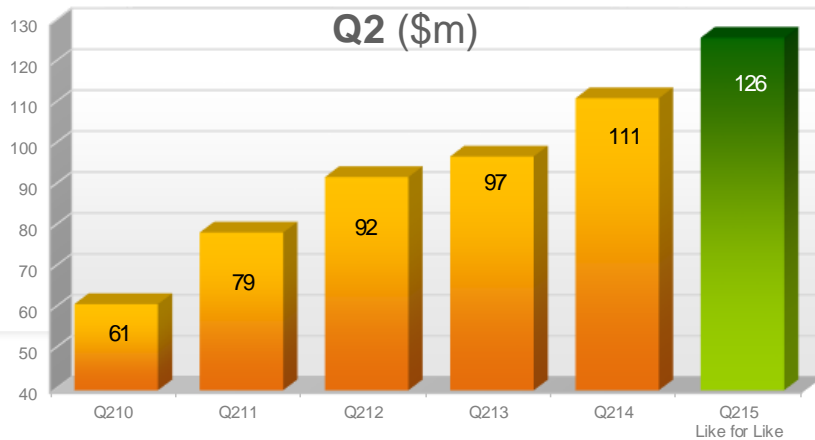
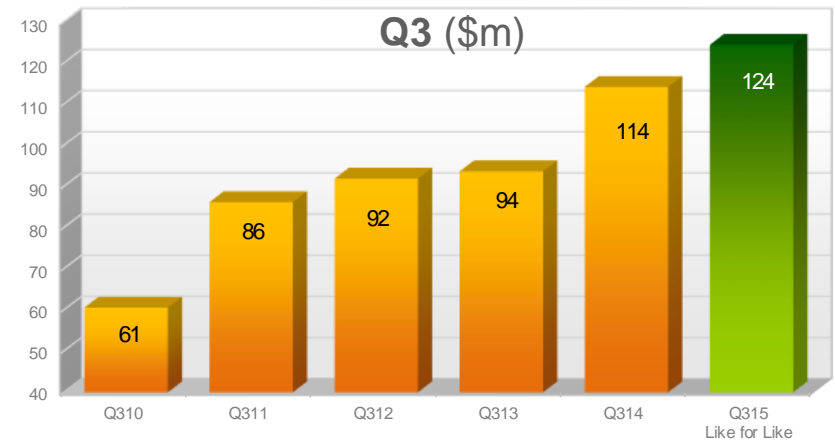
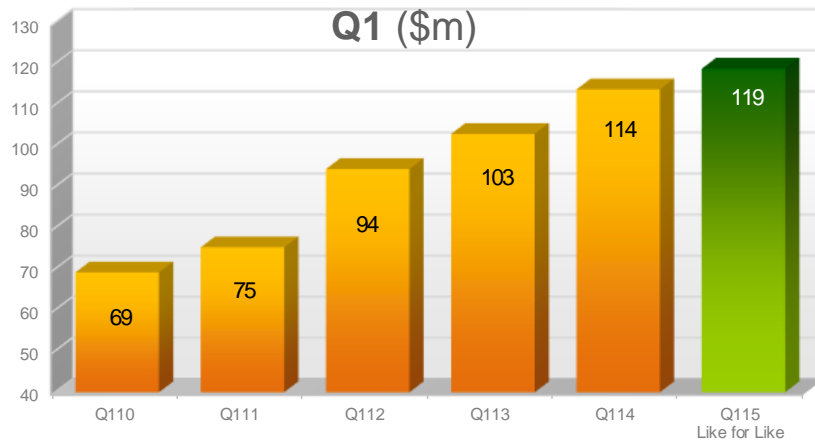
Revenue 2003–2015 (\$m)



GROUP REVENUE

- Very strong Q4 2015 Revenue
- Each quarter is higher than comparable quarter on a like for like basis

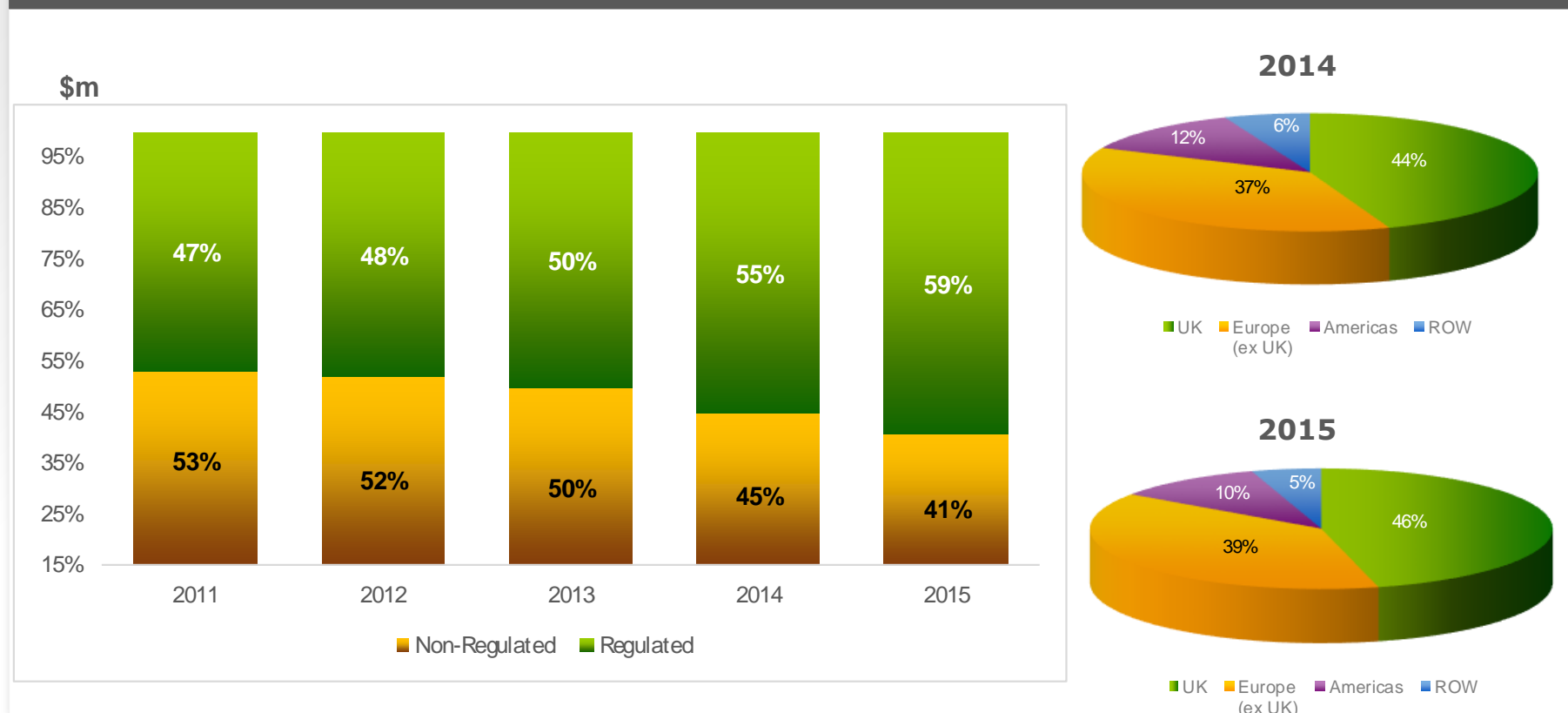
Quarterly Revenue 2010–2015 (\$m)



GEOGRAPHICAL SEGMENTATION

- Revenue increase in core UK and European markets despite adverse currency movements and EU VAT
- UK remains the largest market with 46% of Revenue in 2015
- Regulated markets* represents 59% of Revenue, consistently increase over time

Geographic Segmentation, Revenue 2014 and 2015

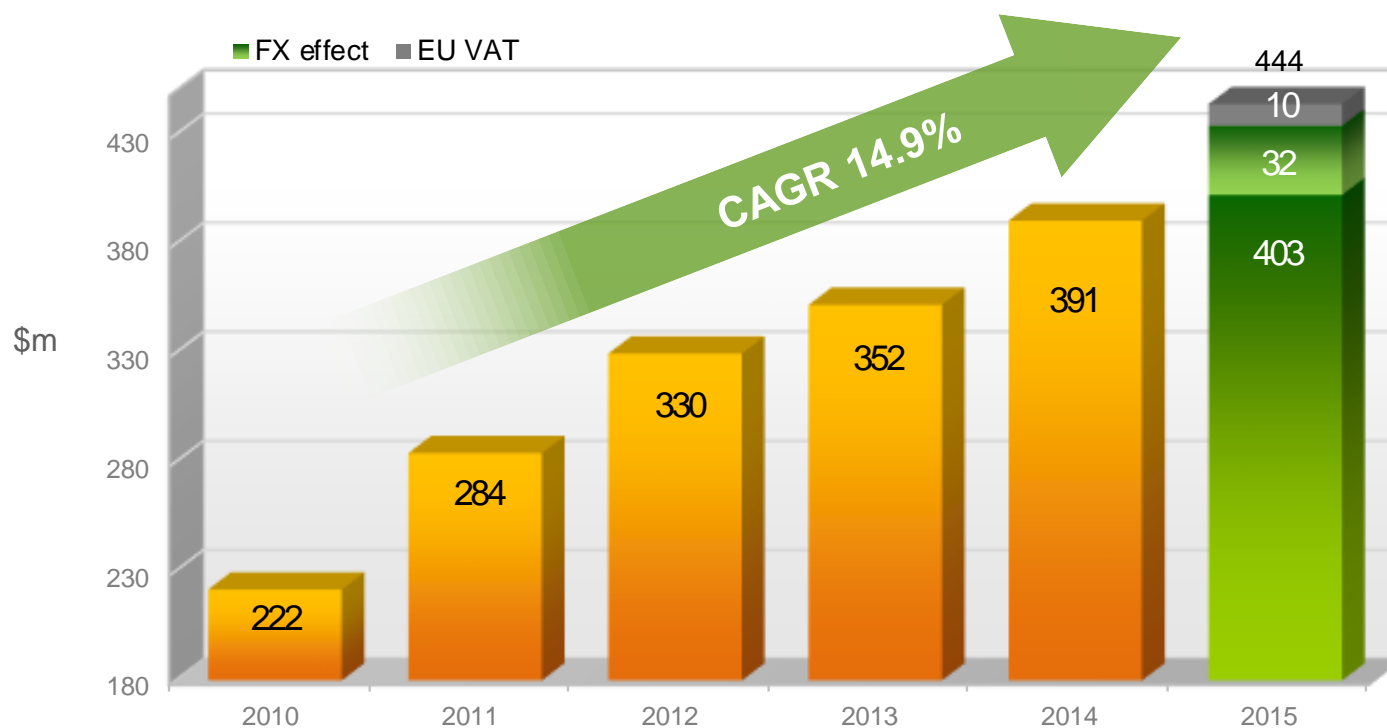


* UK, Spain, Italy, USA (non Social), Denmark, Romania and Ireland Sport

REVENUE B2C

- Revenue up **14%** on a like for like basis to **\$444.2m** (2014: \$391m)
- Reported Revenue up **3%** to **\$403m** (2014: \$391m) despite new EU VAT and adverse currency movements
- **14.9%** CAGR since 2010 on a like for like basis and **12.7%** on a reported basis
- Strong performance continued to be led by Casino and Sport

Revenue B2C 2010 – 2015 (\$m)



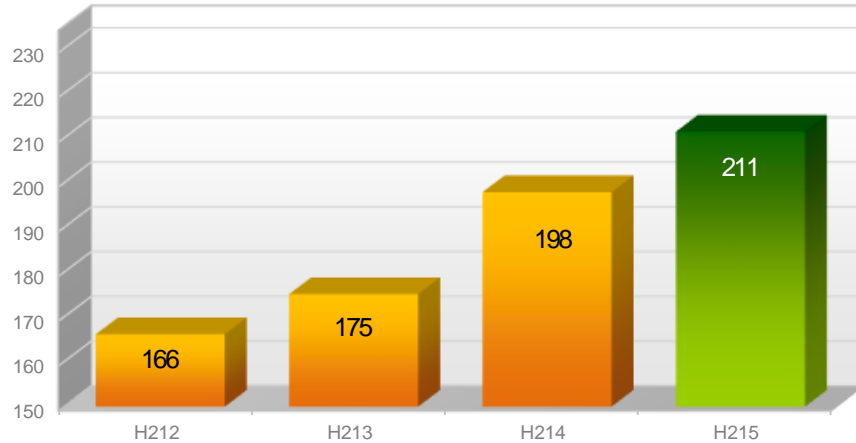
REVENUE B2C

- Positive momentum continued well into H2
- Strong Q4 2015
- Momentum achieved despite adverse currency movements and EU VAT

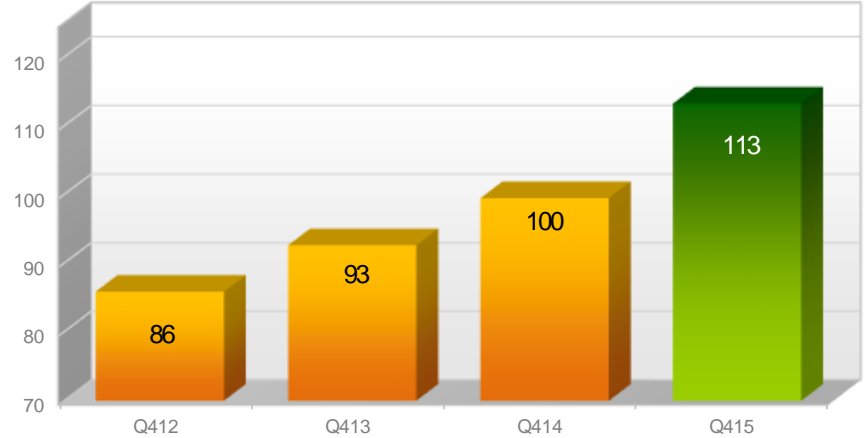
Revenue B2C Half and Quarterly trend (\$m)

\$m

Revenue B2C per Half trend



Revenue B2C Quarterly trend



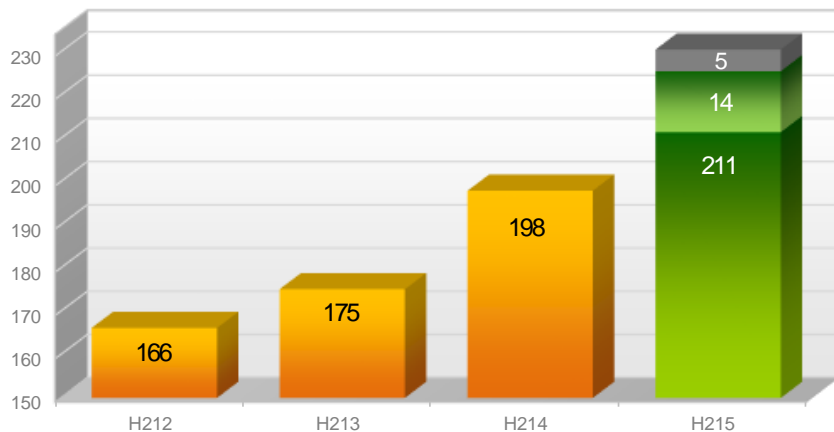
REVENUE B2C

- On a like for like basis underlying growth was considerably higher than reported Revenue
- H215 up **16%** over H214 on a like for like basis
- Q415 up **23%** over Q414 on a like for like basis

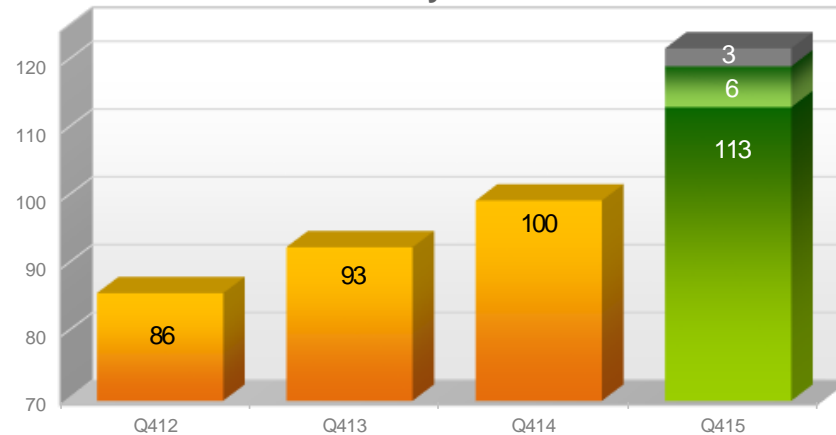
Revenue B2C Half and Quarterly trend (\$m)

\$m

Revenue B2C per Half trend



Revenue B2C Quarterly trend



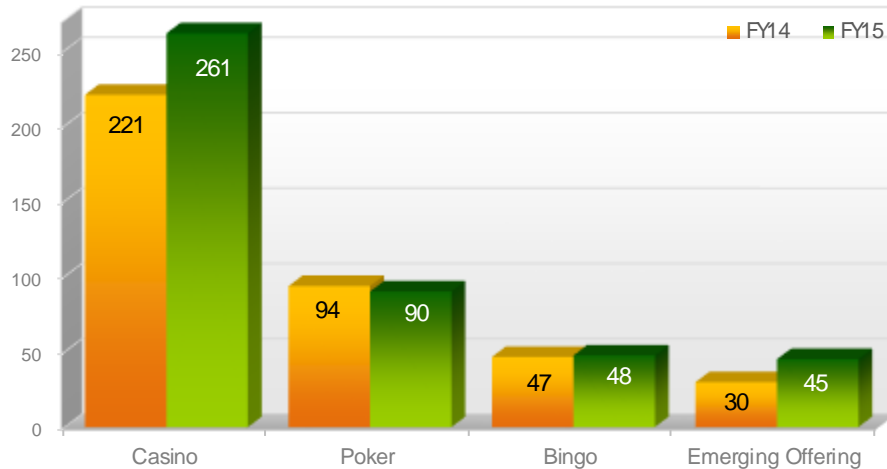
REVENUE B2C BY PRODUCT

- All product lines impacted by adverse currency movements
- On a like for like basis, Revenue increased in all products with the exception of Poker
- Casino up **18%**, Poker down 3.9%, Bingo up **2.1%**, Emerging Offering up **51.2%**

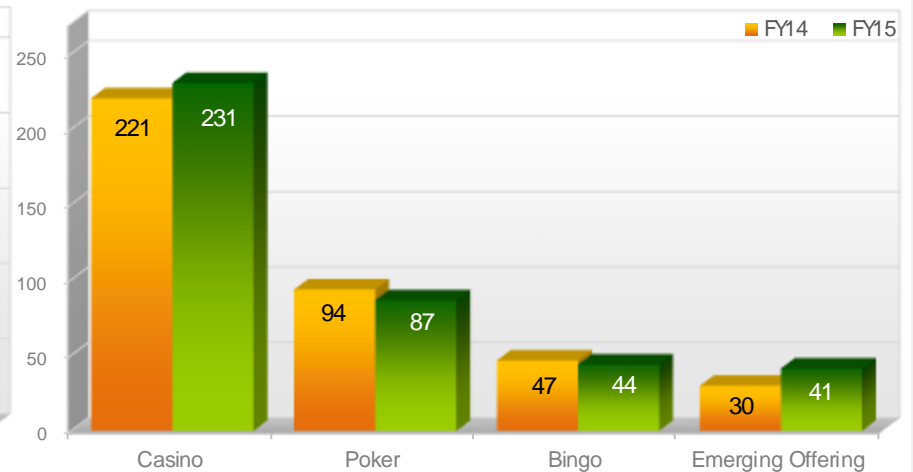
Revenue B2C 2015 vs. 2014(\$m)

\$m

Revenue B2C per product like for like basis



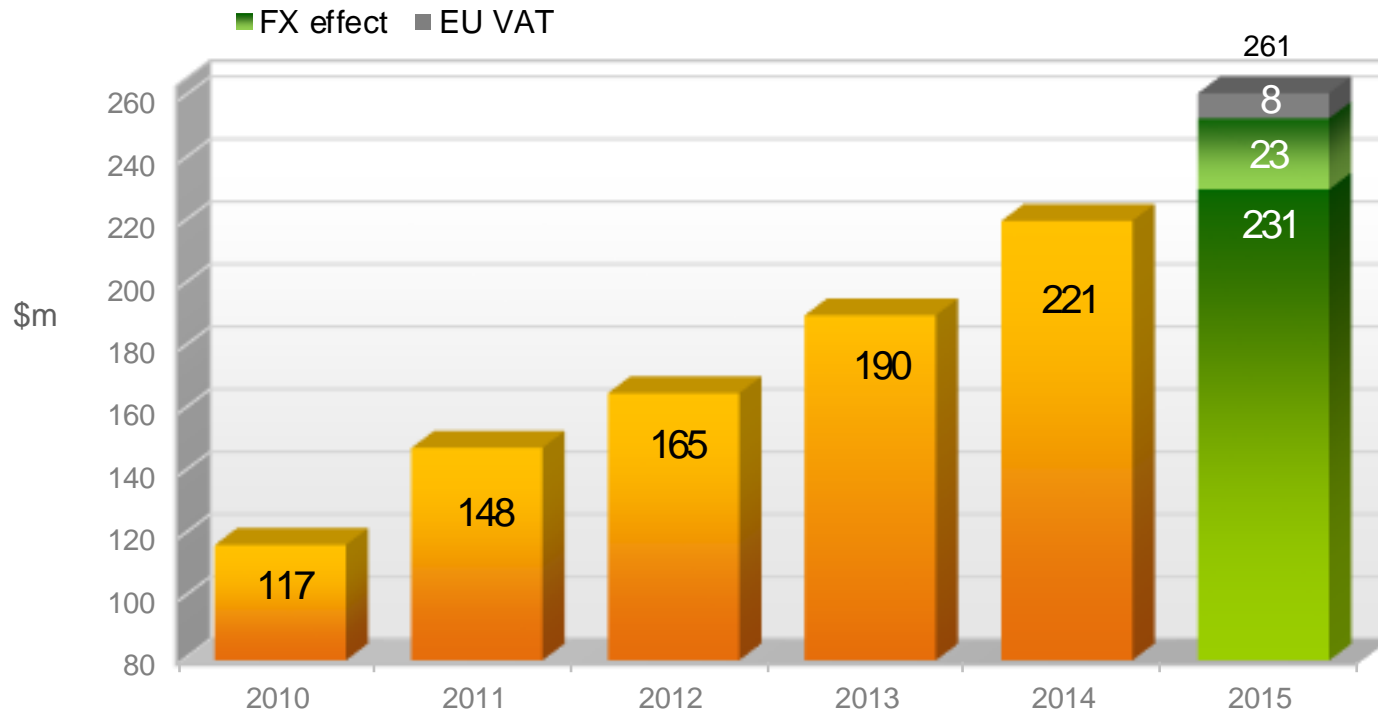
Reported Revenue B2C per product



REVENUE CASINO B2C

- Casino growth continues, leveraged by unique content, increased mobile activity and smart marketing approach
- Successful launch of 777 brand and Slots in Spain
- **18%** increase on a like for like basis

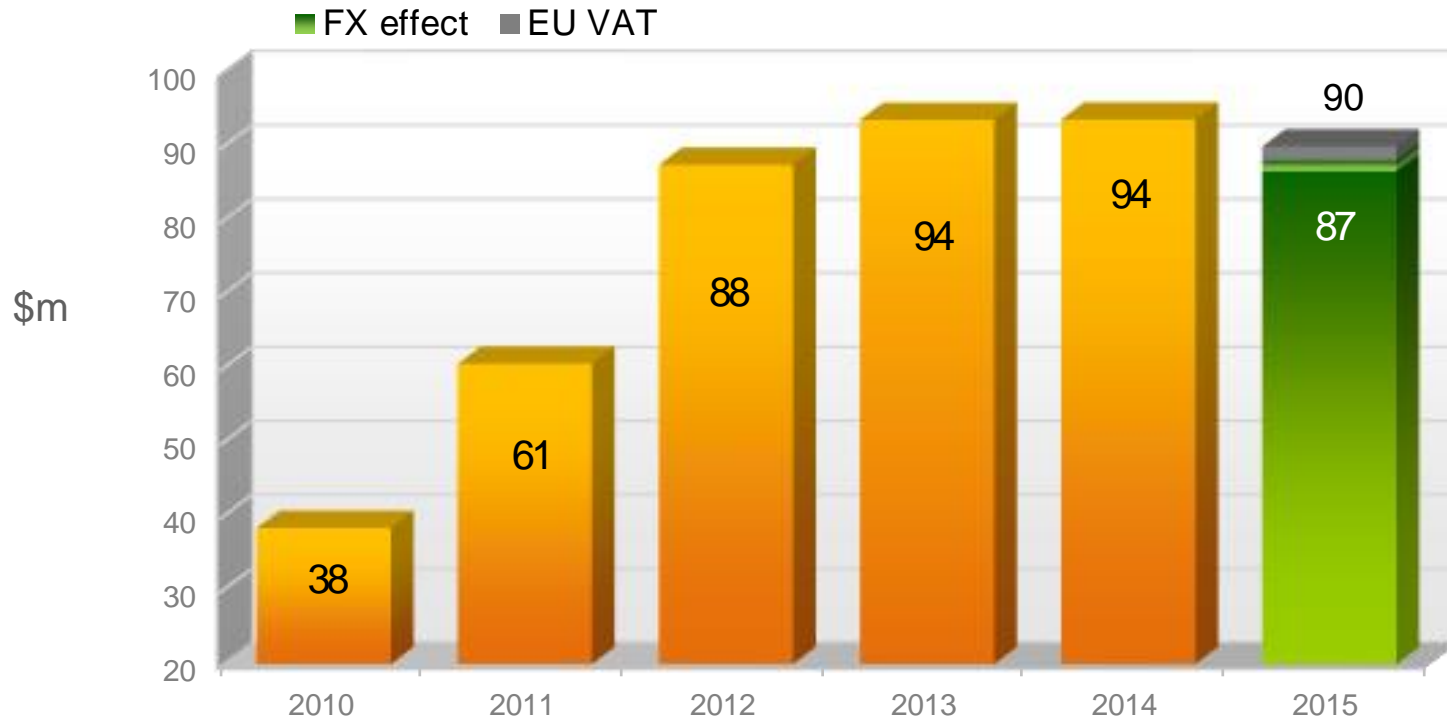
Revenue Casino B2C 2010 – 2015 (\$m)



REVENUE POKER B2C

- Poker Revenue on a like for like basis down 3.9% to \$90m (2014: \$94m)
- No. 2 position in global poker rankings* maintained, outperformed market in relative liquidity
- Outperform industry average

Revenue Poker B2C 2010 –2015 (\$m)

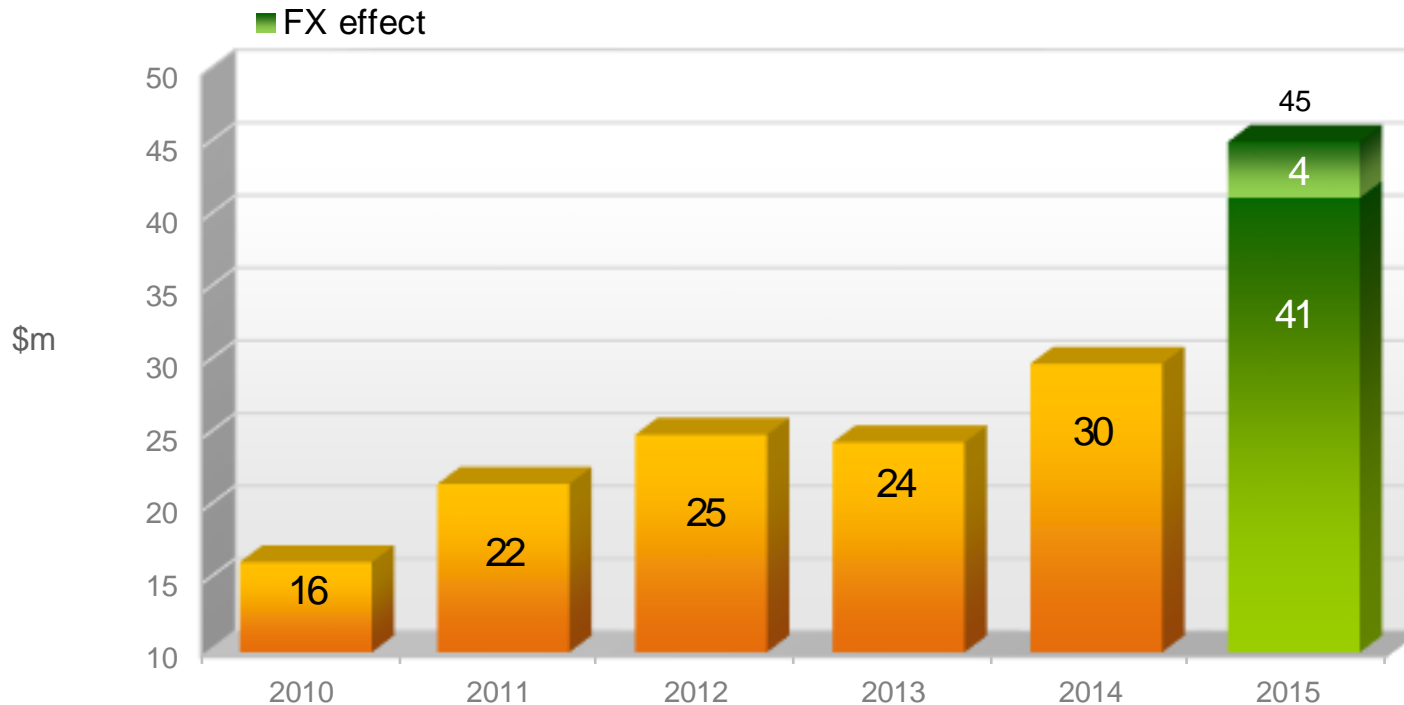


* Source Pokerscout.com Feb 2016

REVENUE EMERGING OFFERING B2C

- Emerging offering reported Revenue up **38%** to **\$41m** (2014: \$30m), up **51%** on a like for like basis driven by Sport
- Strong increases across all Sport measures including revenue, deposits, activity and customer acquisition
- Sport product is currently offered in most of our B2C brands

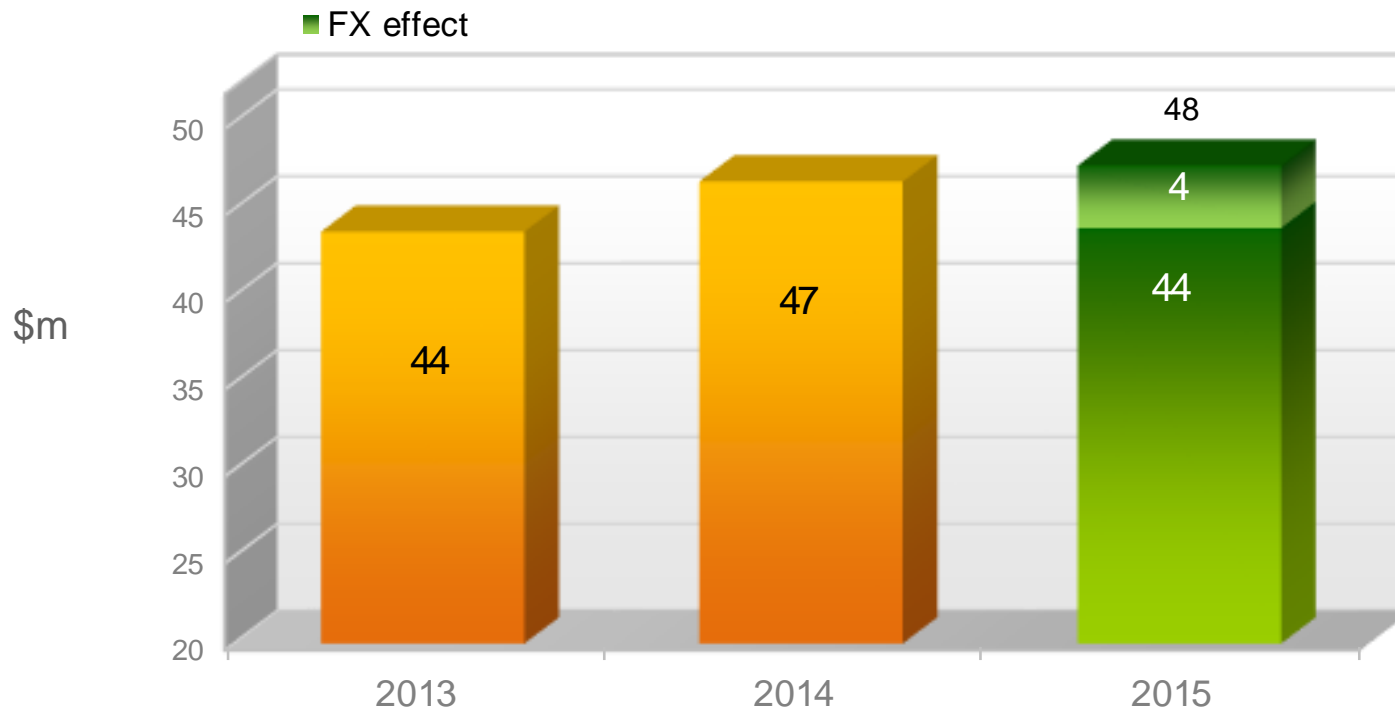
Revenue Emerging Offering B2C 2010 –2015 (\$m)



REVENUE BINGO B2C

- Revenue on a like for like basis up **2%** to **\$48m** (2014: \$47m)
- New innovative offers and content are constantly introduced with more in the pipe line
- While KPI's improve the market remains highly competitive

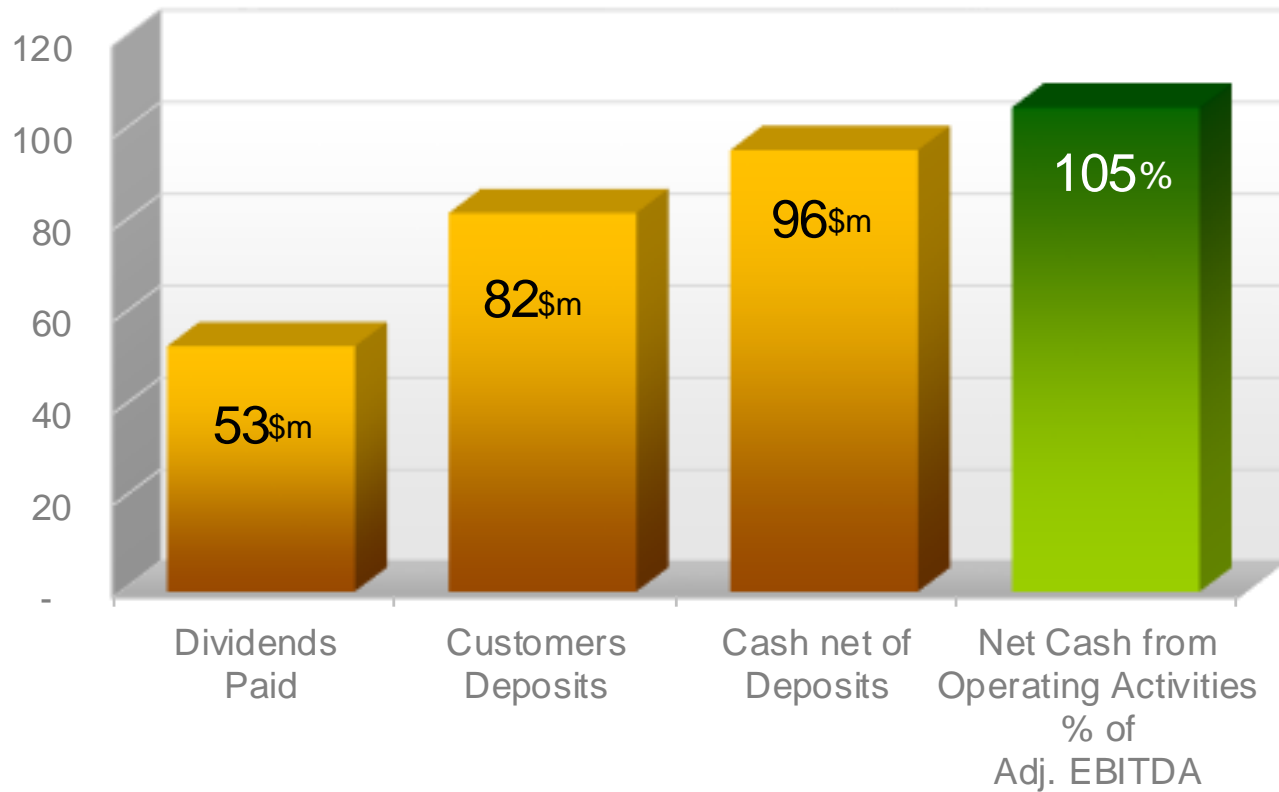
Revenue Bingo B2C 2013 – 2015 (\$m)



CORPORATE CASH POSITION

- Cash position remains strong with corporate cash net of customer deposits ahead of previous year
- Maintain high EBITDA cash conversion ratio
- Customer deposits increased 22%

Cash position 2015

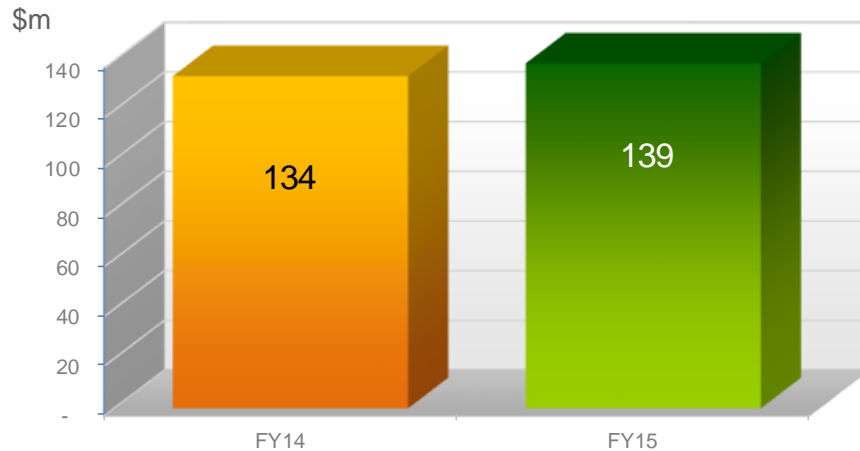


MARKETING COST RATIO

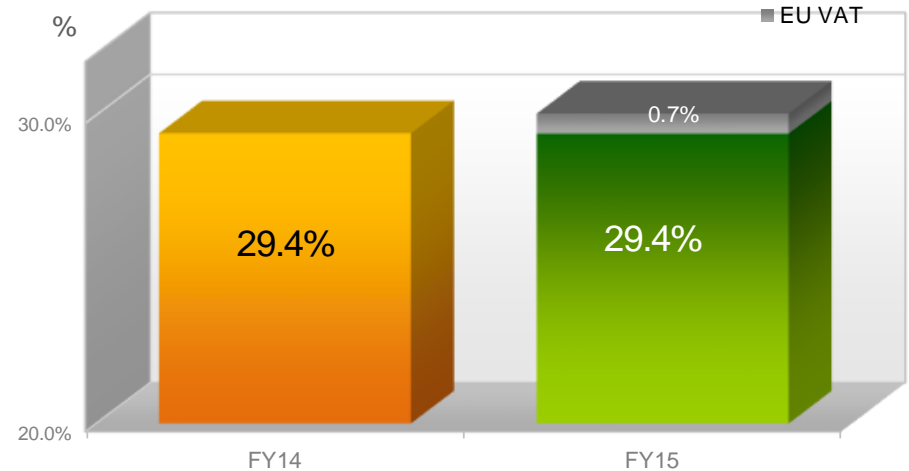
- Marketing ratio remains stable but customer acquisition increased **28%**
- Strong Revenue growth driven by optimised marketing and strong analytics
- Lower Cost per Acquisition (CPA) ↓

Marketing Costs 2015 vs. 2014

Marketing Costs



Marketing Costs % of Revenue*

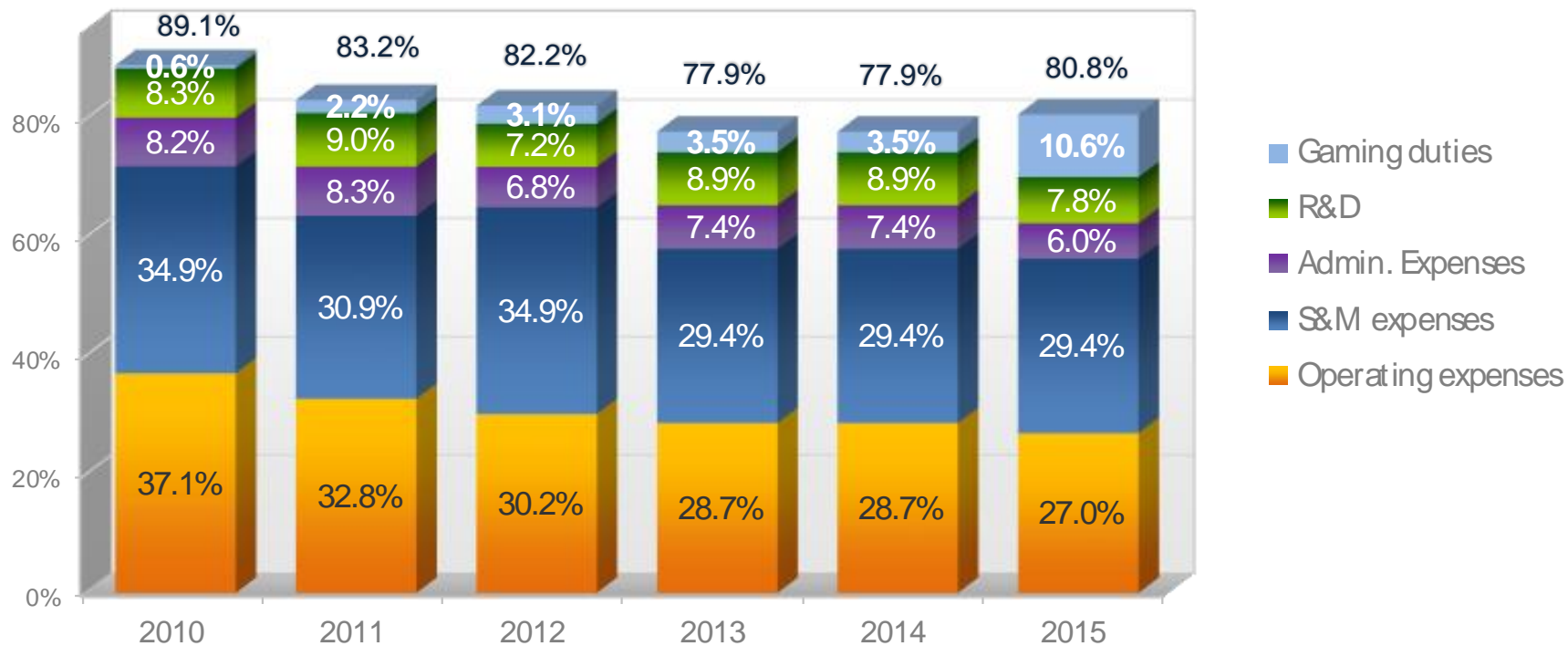


* Like for like ratio is based on Revenue before deduction of EU VAT

COST STRUCTURE

- Cost ratio to Revenue* at 81% (2014: 78%)
- Continued efficiency improvements save for external factors

Cost as a % of Total Revenue 2010 – 2015**



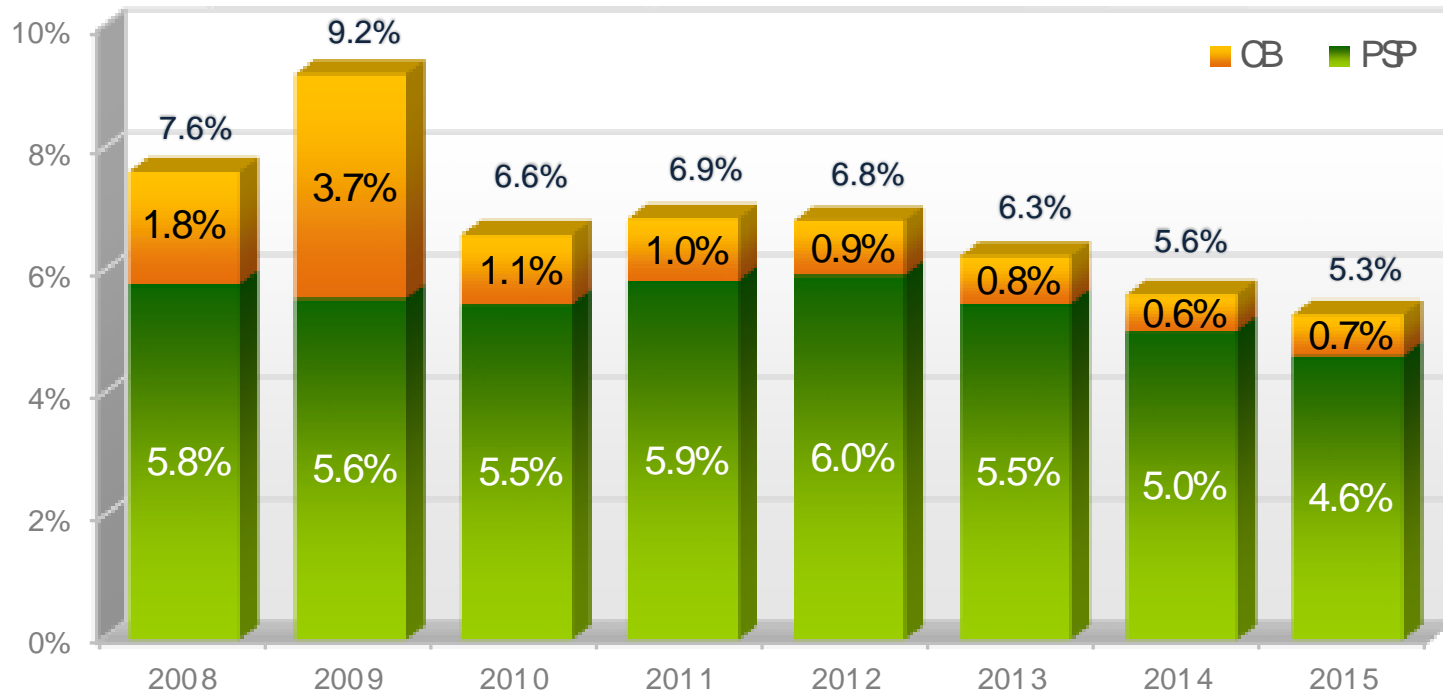
* Excluding EU VAT

** Excluding share benefit charges, depreciation and amortisation, impairment charges and retroactive gaming duties and exceptional M&A costs

PROCESSING COST

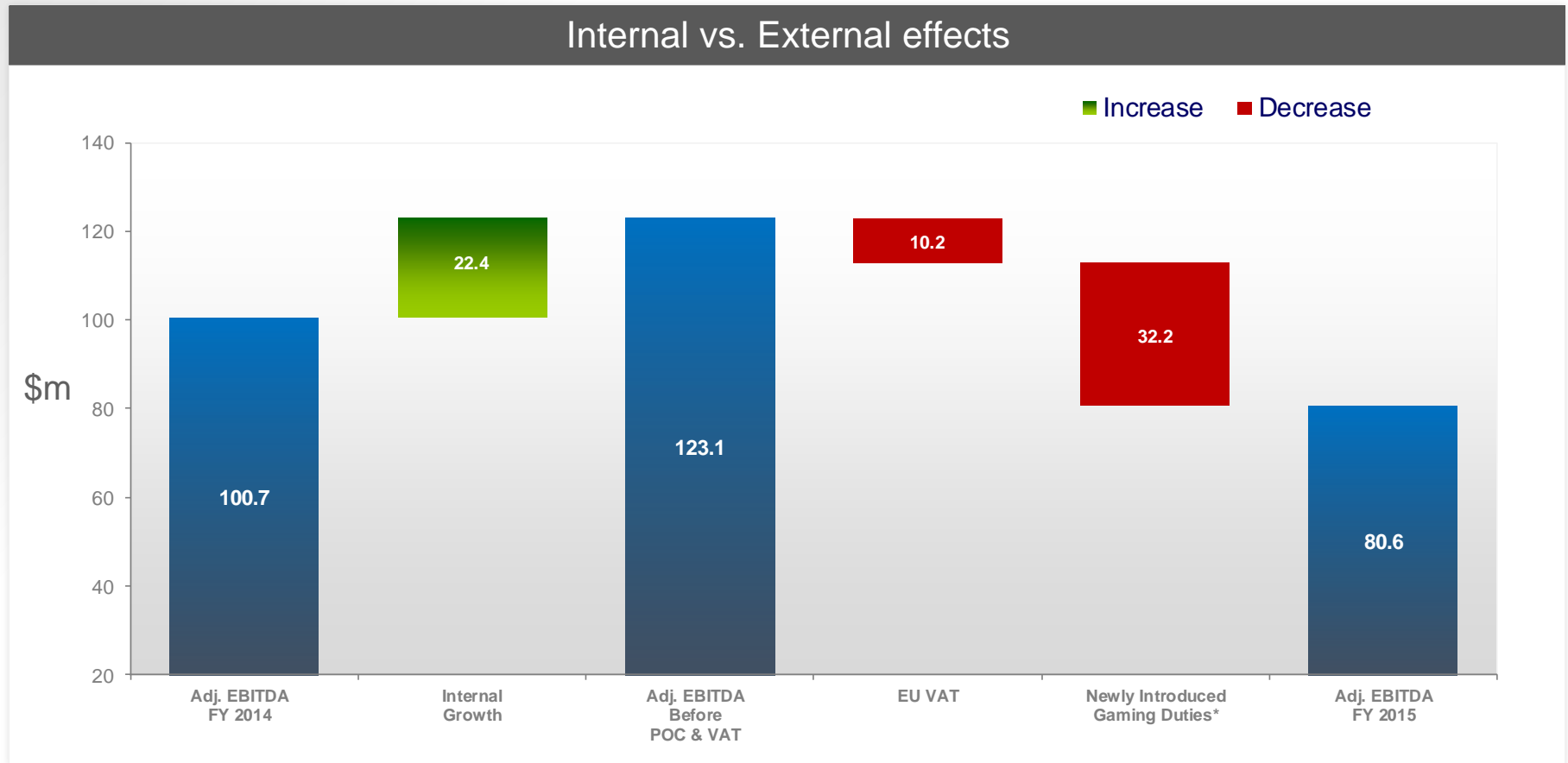
- Consistent reduction in processing fees as volume in regulated markets increases
- Additional payment methods introduced, growth in deposits and optimisation of costs improve performance over time

Cost as a % of Total Revenue 2008 - 2015



ADJUSTED EBITDA BRIDGE 2014 vs. 2015

- Strong adjusted EBITDA mitigated an incremental \$42m external impact of newly introduced gaming duties and EU VAT
- Before adjusting for adverse currency movements

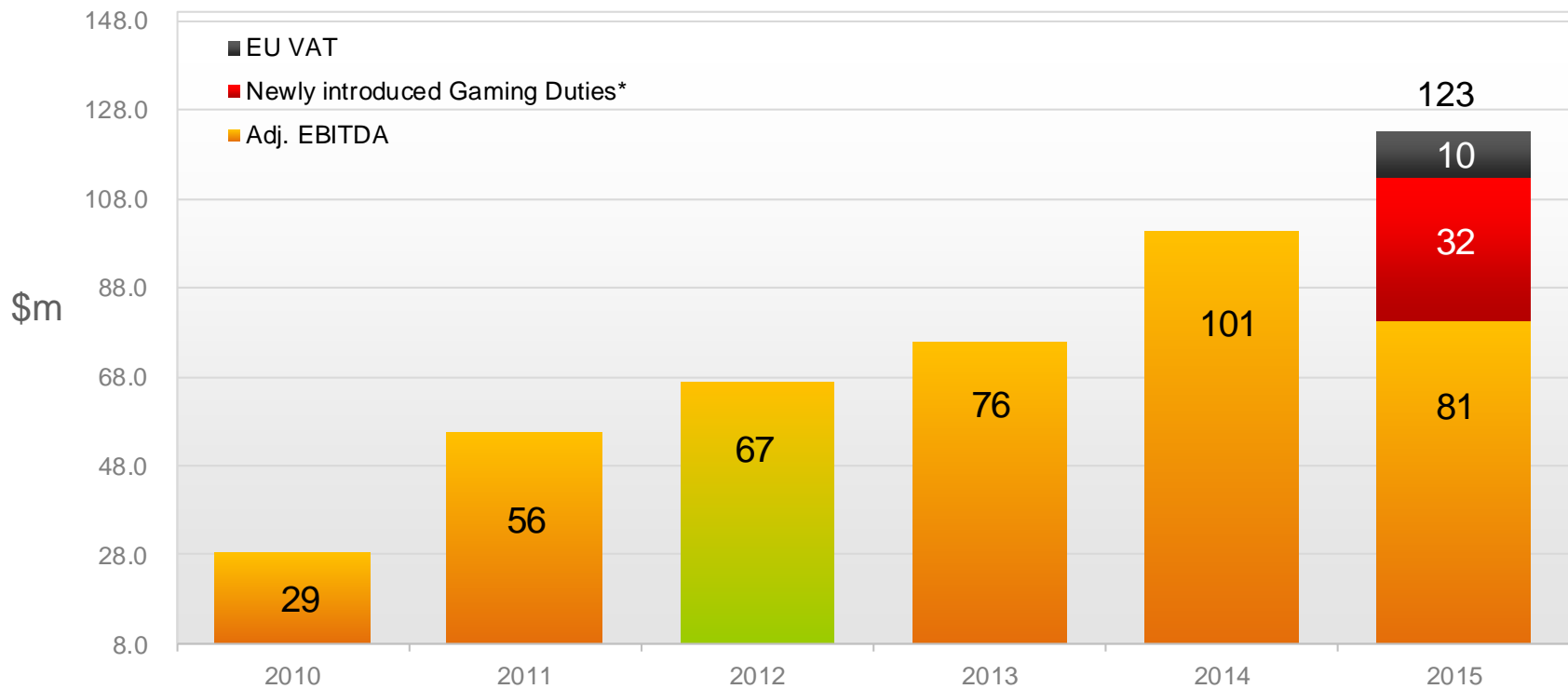


* Including incremental UK POC tax and newly introduced gaming duties in Austria, Romania, Denmark and Ireland

ADJUSTED EBITDA TREND

- Continues improved performance over time despite external factors
- Before adjustment for adverse currency movements

Adjusted EBITDA 2010 –2015

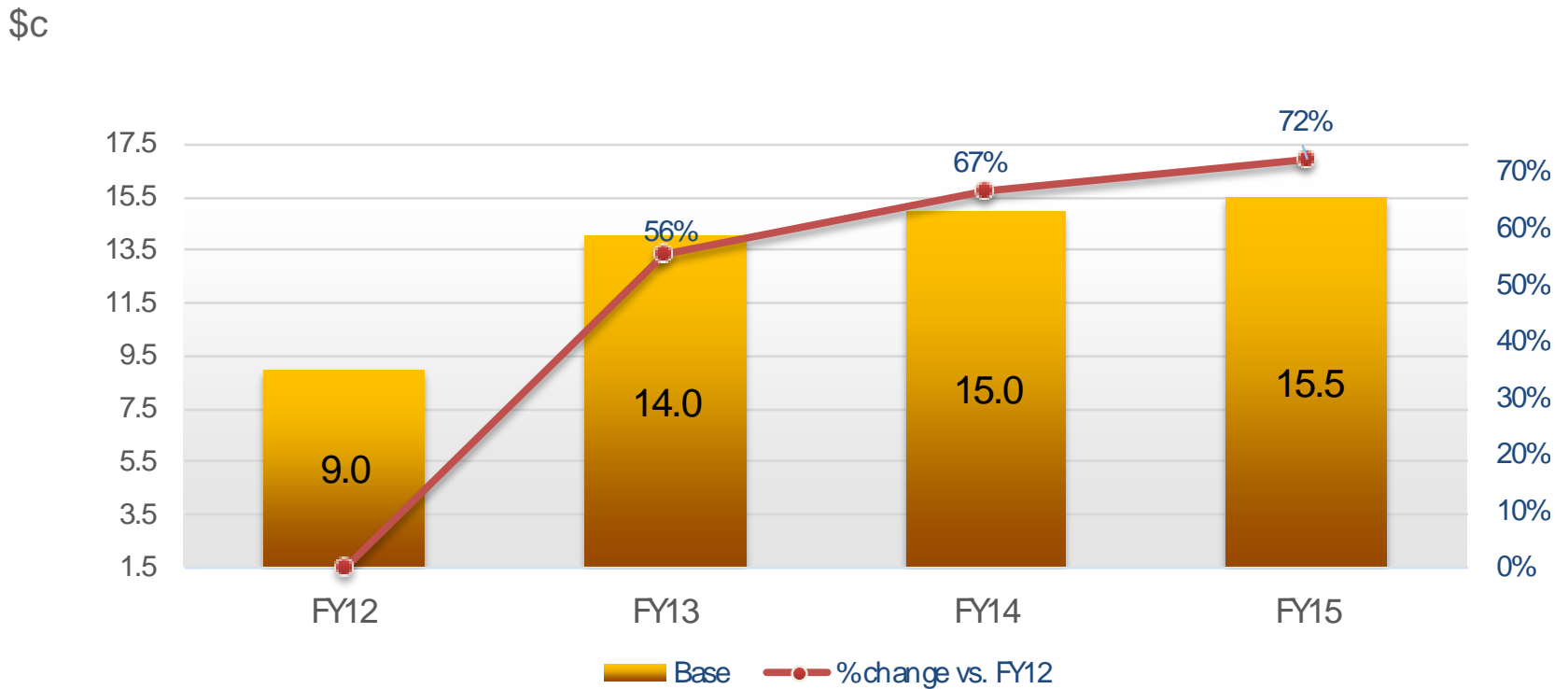


* Including UK POC and gaming duties in Austria, Romania, Denmark and Ireland Sport

DIVIDEND

- Steady increasing dividend, hand in hand with strong cash generation

DIVIDEND PER SHARE (\$c) 2012 - 2015



BALANCE SHEET

\$m	31-Dec-15	31-Dec-14
Non-current assets		
Goodwill and other Intangible assets	157.3	157.2
Property, plant and equipment	11.2	15.5
Other non-current assets	3.6	1.4
	172.1	174.1
Current assets		
Cash and cash equivalents	178.6	163.1
Trade and other receivables	35.6	30.0
Total Assets	386.3	367.2
Equity		
Share capital and share premium	5.4	4.5
Retained earnings and reserves	156.8	180.6
Total equity attributable to equity holders	162.2	185.1
Liabilities		
Current liabilities		
Trade and other payables	140.0	114.6
Customer deposits	82.4	67.5
Non-current liabilities		
Deffered tax liabilities	1.7	-
Total equity and liabilities	386.3	367.2

CASH FLOW STATEMENT

\$m Year Ended 31 December	2015	2014
Cash flows from operating activities		
Profit before income tax	32.5	67.9
Share benefit charges	4.1	1.7
Depreciation, amortisation and Impairment charges	18.6	19.0
Change in current assets and liabilities	38.4	25.7
Other non cash adjustments	(2.6)	5.8
Cash generated from operations	91.0	120.0
Income tax paid	(6.0)	(8.1)
Net cash generated from operating activities	85.0	111.9
Purchase of property, plant and equipment	(4.6)	(5.5)
Internally generated intangible assets	(6.8)	(8.6)
Acquisition of intangible assets	(3.0)	(2.9)
Investment	(1.2)	3.9
Net cash used in Investing Activities	(15.6)	(13.1)
Issue of shares	0.9	0.4
Dividends paid	(53.5)	(51.2)
Net increase in cash and cash equivalents	16.8	48.0
Cash and cash equivalents - beginning of year	163.1	115.8
Effects of currency translation	(1.3)	(0.7)
Cash and cash equivalents - end of year	178.6	163.1

OPERATIONAL OVERVIEW



A BUSY YEAR



2015



Q2



Q3



Q4

2016



WINK SLOTS

75 mio. spillere worldwide!

TOTAL | GROUP REVENUE



\$376M
2012

\$401M
2013

\$455M
2014

\$508M
2015

B2C | FTDs



100%
JUN 2014

126%
DEC 2014

135%
MAY 2015

162%
DEC 2015

SPORT | BETS



100%
JAN 2014

177%
DEC 2014

244%
APR 2015

300%
DEC 2015

CASINO | BETS



100%
JAN 2014

111%
FEB 2015

120%
AUG 2015

142%
DEC 2015

POKER | ACTIVES



100%
JUN 2014

108%
DEC 2014

115%
SEP 2015

120%
DEC 2015

SPAIN | DEPOSITS



100%
JAN 2014

115%
DEC 2014

140%
AUG 2015

175%
DEC 2015

ITALY | ACTIVES



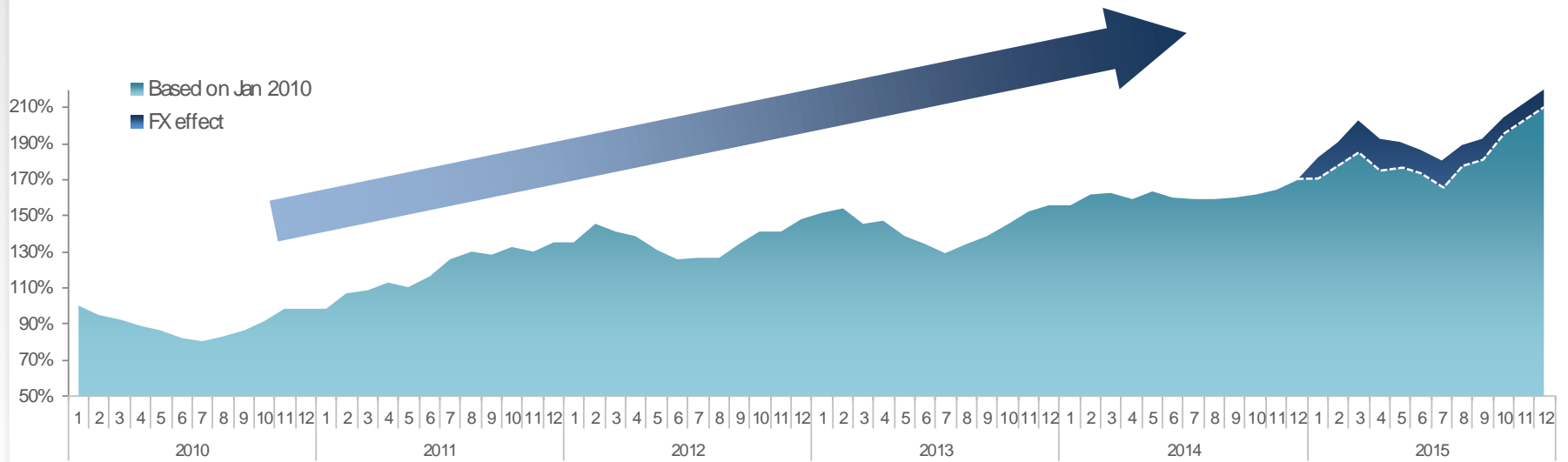
100%
JUL 2014

150%
DEC 2014

160%
OCT 2015

203%
DEC 2015

B2C DEPOSIT TREND



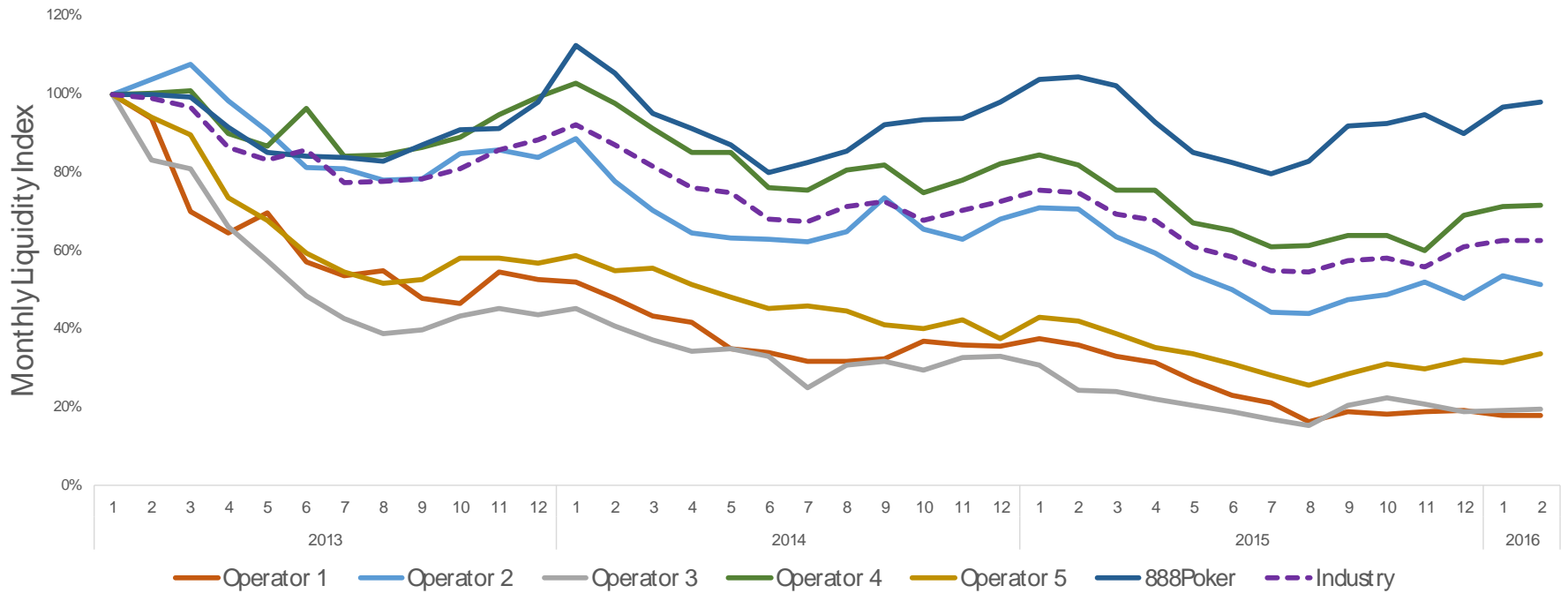
*FX effect rebase deposits back to original currency and then translate back to USD using 2014 rates for the purpose of a like for like real basis

C2 - NEW CASHIER



POKER OUTPERFORMANCE

LIQUIDITY



Source: Pokerscout, February 2016

98

OPERATIONAL MANAGEMENT
COMBINED TENURE

270

PROJECTS DELIVERED

10

GAMING LICENSES

108

NEW GAME TITLES

\$53m

IN JACKPOT WINNING

229

BINGO BRANDS

248m

COMMUNICATIONS SENT

21

TERABYTE OF DATA STORED

\$4.8b

UK MARKET SIZE PER H2GC

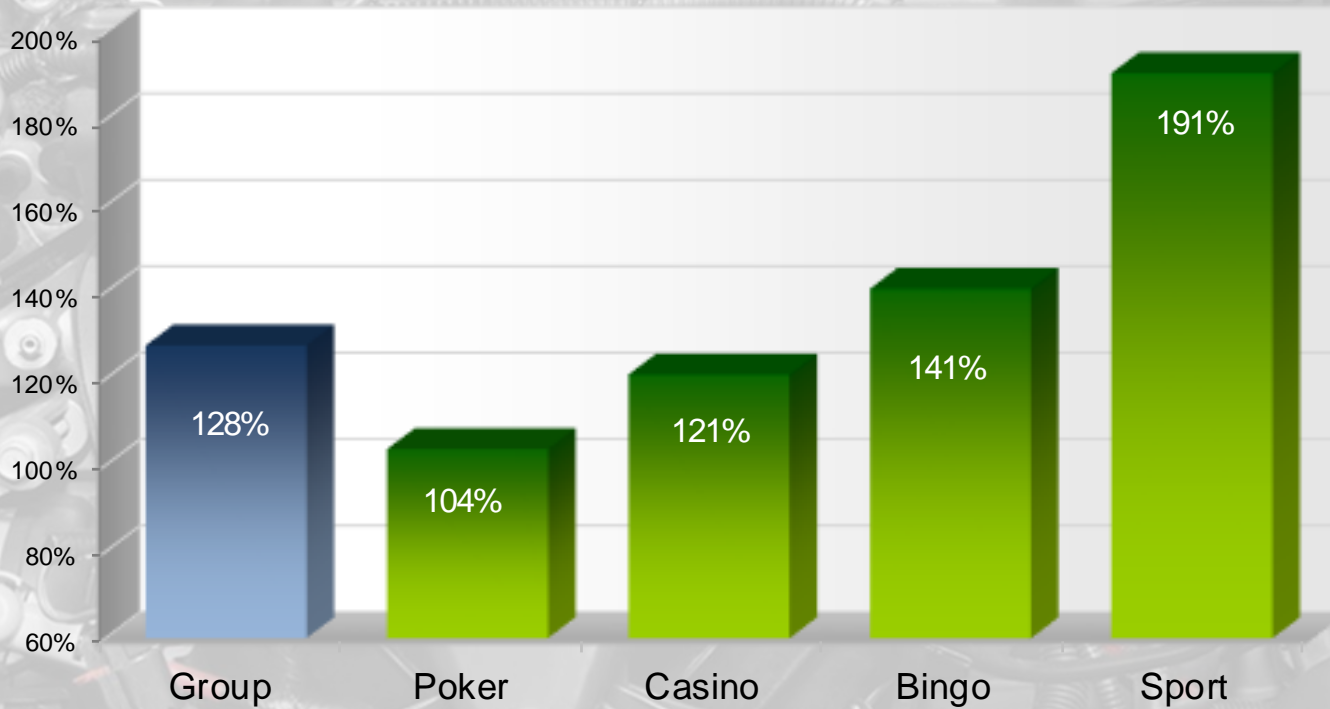
WHAT'S UNDER THE HOOD?



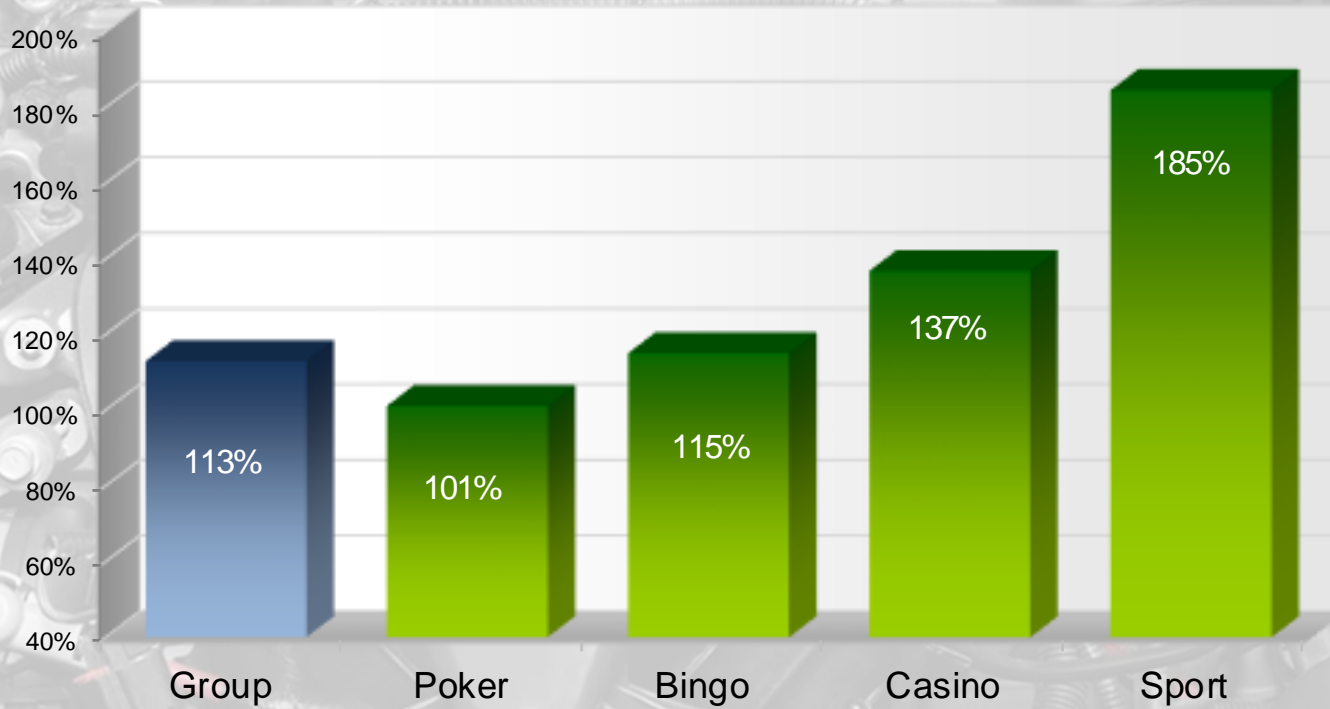
B2C ACQUISITION

FTD's 2015 vs. 2014

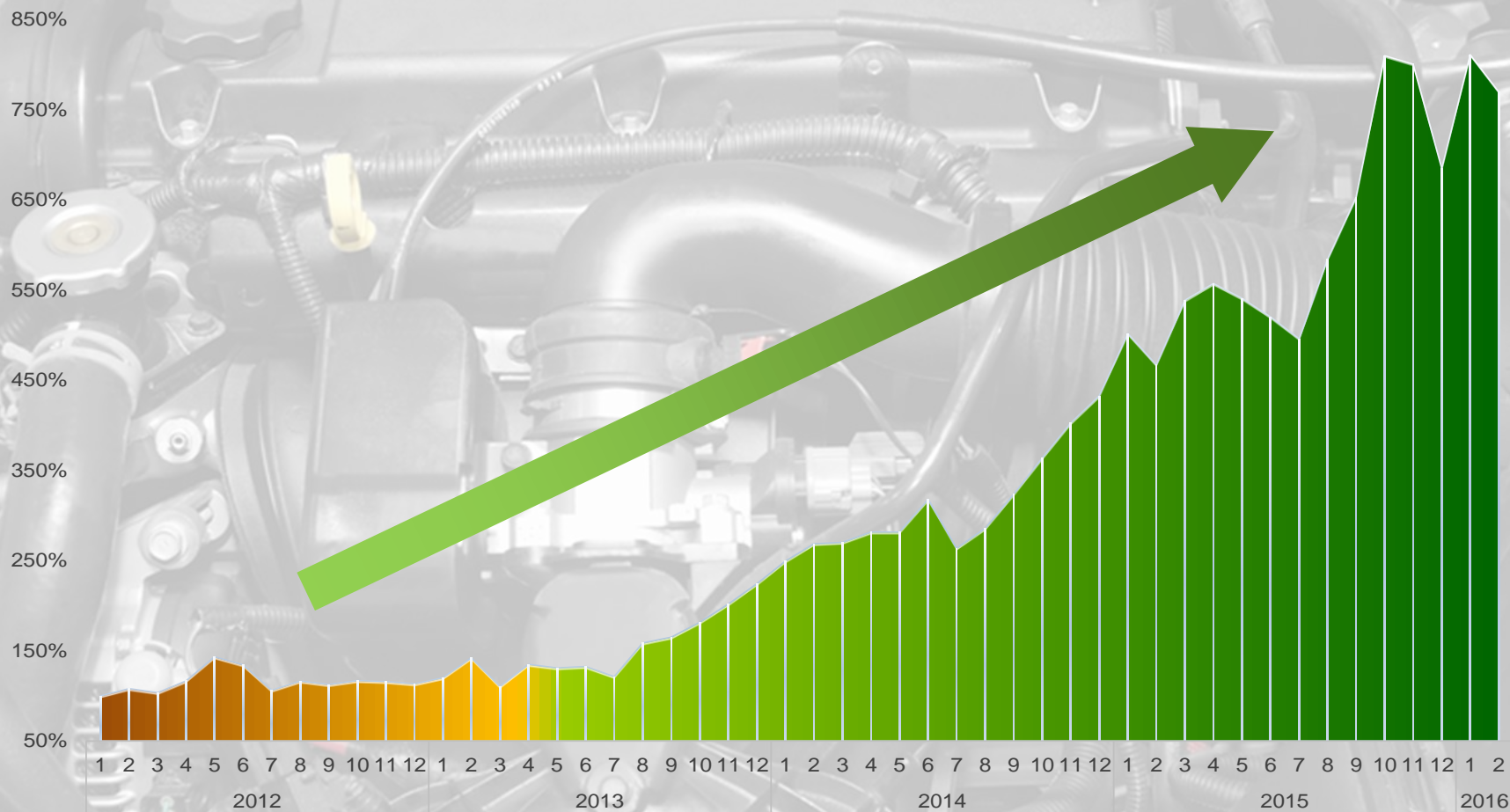
%



Actives 2015 vs. 2014

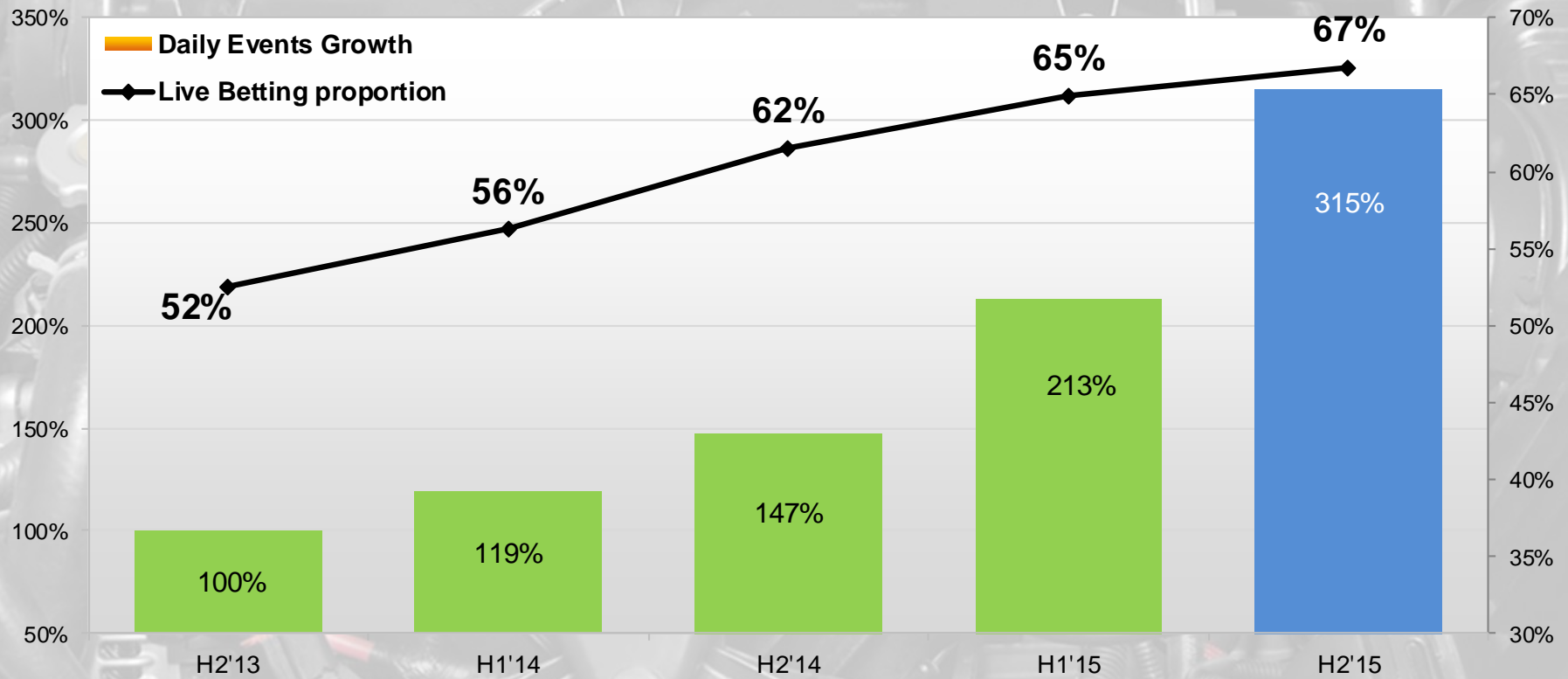


SPORT BETS



Based on average daily Bets

SPORT LIVE BETTING SHARE AND DAILY EVENTS TREND



Based on average daily Bets

REGULATED MARKETS



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sport.dk

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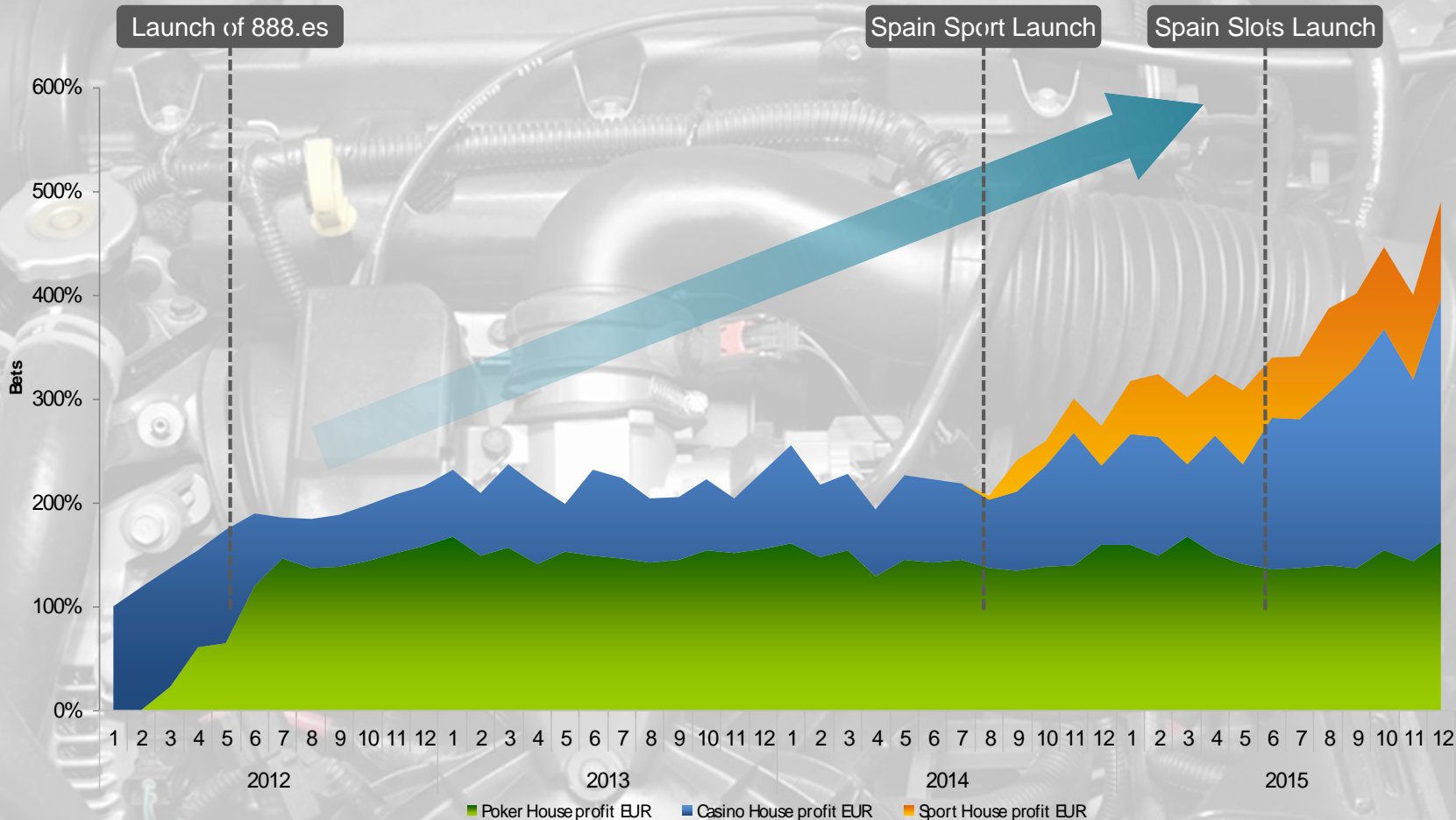
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25 mio. spillere worldwide!

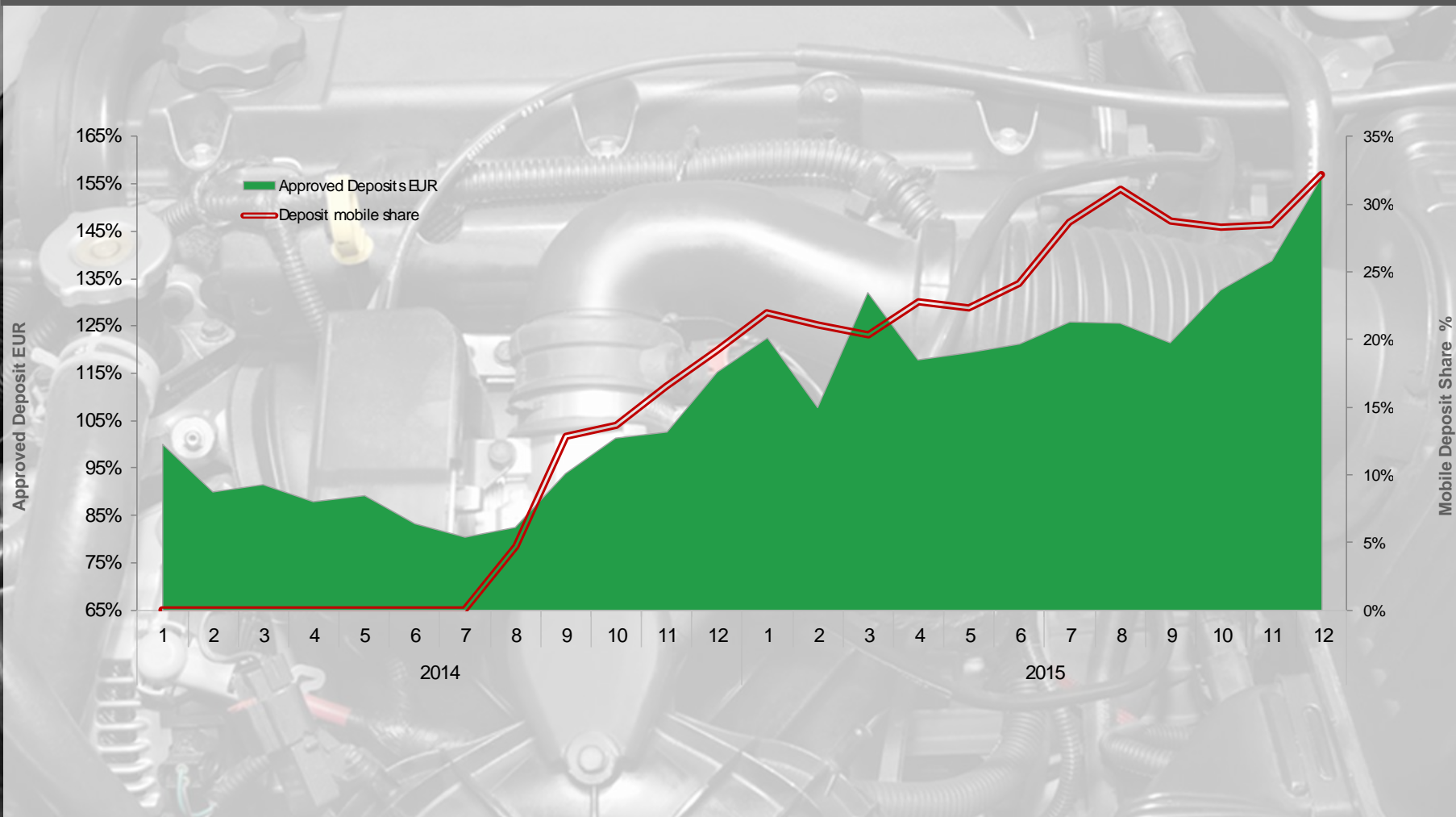
888.ES GGR TREND (Euro Based)

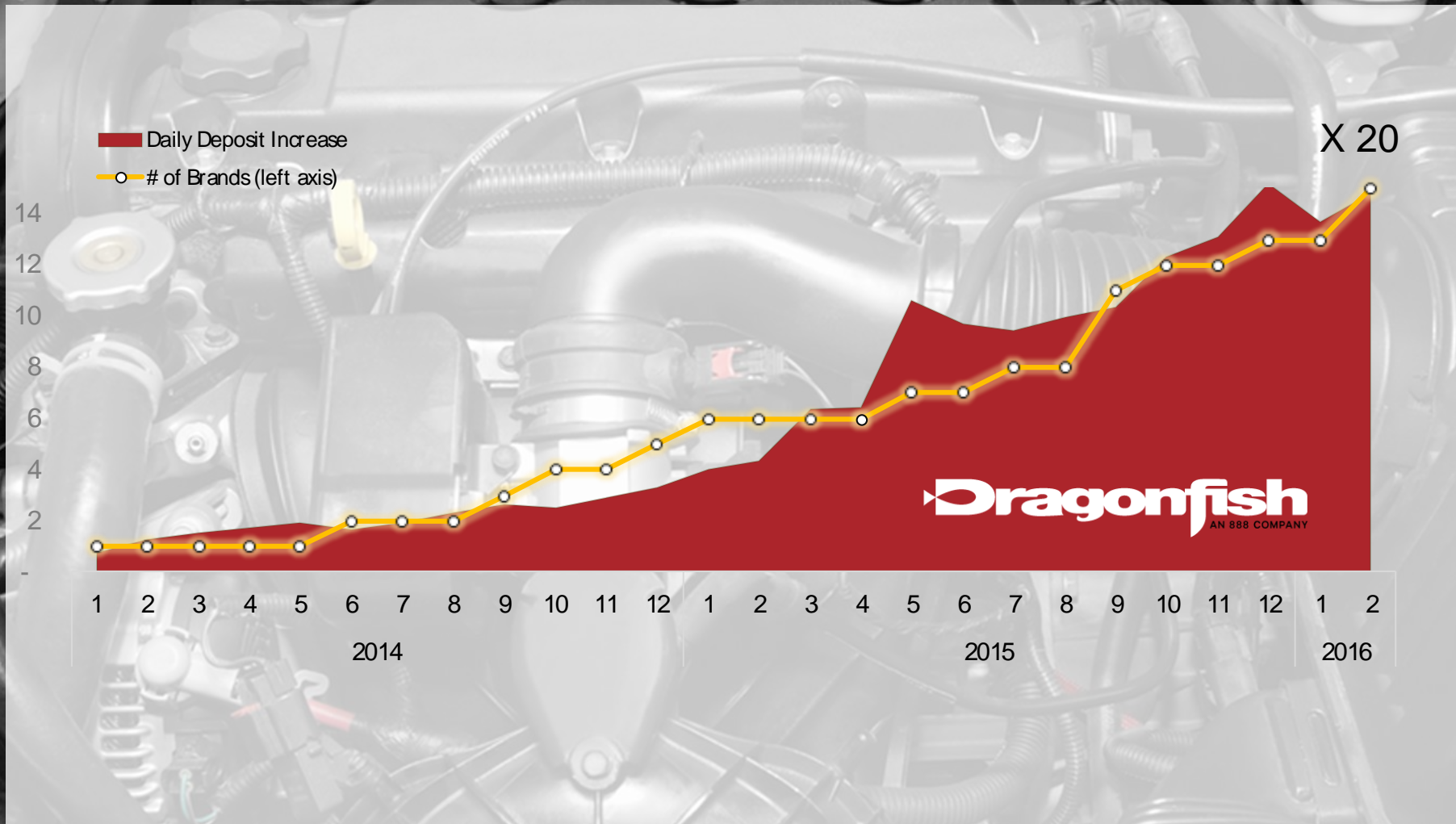
888 SPAIN GGR GROWTH (EURO based)



888.IT DEPOSIT TREND

888 ITALY DEPOSITS (EURO BASED)





WHAT'S NEXT?

- Build on another record year
- Clear growth strategy
- New markets
- Continuance in sport growth
- Non organic opportunities
- Enhanced content portfolio, platform and product edge
- Strong current trading

