

26 July 2012

**888 Holdings Public Limited Company  
("888" or "the Group")**

**Interim Management Statement  
Q2 2012 Key Performance Indicators and Trading Update\***

888, one of the world's most popular online gaming entertainment and solutions providers, is pleased to provide the following trading update for the second quarter of 2012.

**Financial Highlights**

- Group revenue US\$92 million (Q2 2011: US\$79 million), an increase of 17% year on year
- Revenue B2C US\$80 million (Q2 2011: US\$66 million), an increase of 21% year on year
- Revenue B2C Casino US\$41 million (Q2 2011: US\$36 million), an increase of 15% year on year
- Revenue B2C Poker US\$20 million (Q2 2011: US\$13 million), an increase of 59% year on year, primarily boosted by ongoing product improvements, targeted marketing and effective CRM
- Group revenue in H1 2012 at US\$186 million (H1 2011: US\$154 million), an increase of 21%
- Number of active customers B2C Casino and Poker at 505,000 (Q2 2011: 342,000), a 48% increase compared to Q2 2011
- As at 30 June 2012, 888 had 12.1 million Casino, Poker and Sport real money registered customer accounts, representing an increase of 26% since 30 June 2011

**Operational Highlights**

- Awarded a Spanish eGaming Licence on 1st June 2012, 888 has built a significant market share in Spain, with the Poker offer currently number two in the Spanish market
- Strategic agreement signed with WMS, a global leader in the design, manufacture and distribution of games, gaming content and gaming machines in the United States, enabling WMS to offer an online product to all its customers utilising 888's state of the art poker platform

Commenting on today's announcement Brian Mattingley, Chief Executive Officer, said:

*"While the second quarter of the year saw a return to historical seasonal revenue patterns, revenue increased 17 per cent year on year supported by targeted marketing campaigns and market-leading customer relationship management. We have the right product offering and back office capabilities to grow and sustain market share, as indicated by the success in building a significant market share in the newly regulated Spanish poker market."*

\* All percentages in this release are calculated without rounding

## **Key Performance Indicators**

### **Second Quarter 2012**

#### Group

- Revenue US\$92 million (Q2 2011: US\$79 million), an increase of 17%
- As at 30 June 2012, 888 had 12.1 million Casino, Poker and Sport real money registered customer accounts, representing an increase of 26% since 30 June 2011

#### B2C

- Revenue B2C at US\$80 million (Q2 2011: US\$66 million), an increase of 21%
- Revenue B2C Casino at US\$41 million (Q2 2011: US\$36 million), an increase of 15%
- Revenue B2C Poker at US\$20 million (Q2 2011: US\$13 million), an increase of 59%
- Revenue B2C Bingo at US\$13 million (Q2 2011: US\$13 million), stable year-on-year
- Revenue B2C Emerging Offering at US\$6 million (Q2 2011: US\$5 million), an increase of 27%
- Number of active customers B2C Casino and Poker at 505,000, an increase of 48% compared to Q2 2011
- Number of active customers B2C Casino at 185,000, an increase of 16% compared to Q2 2011
- Number of active customers B2C Poker at 378,000, an increase of 63% compared to Q2 2011
- Quarterly revenue B2C per active Casino and Poker customer was US\$121, a 14% decrease compared to Q2 2011
- Quarterly revenue B2C per active Casino customer was US\$221, a 1% decrease compared to Q2 2011
- Quarterly revenue B2C per active Poker customer was US\$53 a 3% decrease compared to Q2 2011

#### Dragonfish

- Revenue B2B at US\$12 million (Q2 2011: US\$12 million), a decrease of 5% year-on-year

### **Six months ended 30 June 2012**

- Revenue up 21% to US\$186 million (H1 2011: US\$154 million)

#### B2C

- Revenue B2C up 25% to US\$164 million (H1 2011: US\$131 million)
- Revenue B2C Casino up 20% to US\$83 million (H1 2011: US\$69 million)
- Revenue B2C Poker up 72% to US\$41 million (H1 2011: US\$24 million)

- Revenue B2C Bingo down 2% to US\$27 million (H1 2011: US\$28 million)
- Revenue B2C Emerging Offering up 20% to US\$12 million (H1 2011: US\$10 million)

Dragonfish

- Revenue B2B down 1% to US\$23 million (H1 2011: US\$23 million)

### **Current Trading**

Third quarter trading started in line with expectations, with average daily revenue during the first 24 days of July 10% above July 2011. We expect to see the effect of seasonality in the remainder of the third quarter, and the impact of the Olympic Games in London remains unknown.

As at 20<sup>th</sup> July 2012 the Group had US\$64 million of cash and cash equivalents and US\$45 million liabilities to customers.

### **Analyst and Investor Conference Call**

There will be an analyst and investor conference call at 10.30am (BST) today.

Dial-in number: 020 3427 1934  
Passcode: 8104066

Replay number: 020 3427 0598  
Replay passcode: 8104066

### **Half-Yearly Results**

888 will announce its half-yearly results for the six months ended 30 June 2012 on Wednesday 29<sup>th</sup> August 2012.

### **Contacts and enquiries**

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*This announcement includes statements that are, or may be deemed to be, "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty since they relate to future events and circumstances. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this announcement reflect 888's view with respect to future events as at the date of this announcement. Save as required by law or by the Listing Rules of the UK Listing Authority, 888 undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this announcement that may occur due to any change in its expectations or to reflect events or circumstances after the date of this announcement.*

## Appendix

| US\$m*  | 2010        |             |             |             | 2011        |             |             |             | 2012        |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | Q1          | Q2          | Q3          | Q4          | Q1          | Q2          | Q3          | Q4          | Q1          | Q2          |
| <b>B2C Revenue</b>                            |             |             |             |             |             |             |             |             |             |             |
| Casino  | 32.8        | 26.5        | 26.6        | 31.0        | 33.4        | 35.6        | 37.5        | 41.6        | 42.2        | 40.9        |
| Poker   | 11.6        | 8.0         | 8.2         | 10.6        | 11.3        | 12.7        | 18.1        | 18.5        | 21.2        | 20.1        |
| Bingo   | 10.9        | 12.6        | 12.5        | 14.1        | 14.2        | 13.3        | 13.3        | 13.1        | 13.6        | 13.4        |
| Emerging Offering                             | 3.5         | 4.4         | 3.9         | 4.4         | 5.4         | 4.8         | 5.4         | 5.9         | 6.2         | 6.1         |
| <b>Total Revenue B2C</b>                      | <b>58.8</b> | <b>51.6</b> | <b>51.2</b> | <b>60.1</b> | <b>64.4</b> | <b>66.4</b> | <b>74.3</b> | <b>79.1</b> | <b>83.2</b> | <b>80.5</b> |
| <b>B2C KPI</b>                                |             |             |             |             |             |             |             |             |             |             |
| Revenue Casino US\$m                          | 32.8        | 26.5        | 26.6        | 31.0        | 33.4        | 35.6        | 37.5        | 41.6        | 42.2        | 40.9        |
| Active Players Casino (000)                   | 76.9        | 68.1        | 73.4        | 123.8       | 129.5       | 159.2       | 200.4       | 223.8       | 227.8       | 185.0       |
| Revenue Casino per active player US\$         | \$ 426      | \$ 390      | \$ 362      | \$ 250      | \$ 258      | \$ 223      | \$ 187      | \$ 186      | \$ 185      | \$ 221      |
| Revenue Poker US\$m                           | 11.6        | 8.0         | 8.2         | 10.6        | 11.3        | 12.7        | 18.1        | 18.5        | 21.2        | 20.1        |
| Active Players Poker (000)                    | 167.9       | 121.5       | 115.3       | 200.9       | 221.9       | 231.3       | 307.2       | 318.3       | 405.3       | 377.6       |
| Revenue Poker per active player US\$          | \$ 69       | \$ 66       | \$ 71       | \$ 53       | \$ 51       | \$ 55       | \$ 59       | \$ 58       | \$ 52       | \$ 53       |
| Revenue Casino & Poker US\$m                  | 44.4        | 34.6        | 34.8        | 41.6        | 44.7        | 48.2        | 55.6        | 60.1        | 63.4        | 61.0        |
| Active Players Casino & Poker (000)           | 217.8       | 167.2       | 165.3       | 283.0       | 302.3       | 342.0       | 442.1       | 477.5       | 566.4       | 504.9       |
| Revenue Casino & Poker per active player US\$ | \$ 204      | \$207       | \$ 211      | \$ 147      | \$ 148      | \$ 141      | \$ 126      | \$ 126      | \$ 112      | \$ 121      |
| <b>B2B Revenue</b>                            |             |             |             |             |             |             |             |             |             |             |
| Revenue B2B                                   | 10.4        | 9.5         | 9.3         | 11.3        | 10.9        | 12.1        | 11.9        | 12.0        | 11.2        | 11.6        |
| <b>Revenue</b>                                | <b>69.2</b> | <b>61.0</b> | <b>60.6</b> | <b>71.3</b> | <b>75.3</b> | <b>78.5</b> | <b>86.2</b> | <b>91.1</b> | <b>94.4</b> | <b>92.1</b> |

\*Rounded.

As of 1st January 2012, as part of the Group's effort to match the poker network's player environment to the requirements of target customers, the Group took over certain poker B2B brands, the performance of which was previously reported as part of B2B and is now reported as part of B2C. The pro-forma figures excluding the effects of this for Q2 2012 are as follows: Q2 2012 B2C Poker revenue US\$18 million, an increase of 46% compared to Q2 2011, Q2 2012 B2C revenue US\$79 million, an increase of 19% compared to Q2 2011, Q2 2012 B2B revenue US\$12 million, an increase of 1% compared to Q2 2011 and Q2 2012 group revenue US\$91 million, an increase of 16% compared to Q2 2011.