

5th February 2009

888 Holdings Public Limited Company (“888”)

Interim Management Statement

Q4 2008 Key Performance Indicators and Trading Update

888, one of the world’s most popular online gaming companies, today provides the following trading update for the fourth quarter of 2008 and cumulative results for the twelve months ended 31 December 2008.

Highlights:

- Total Operating Income for the 12 months ended 31 December 2008 US\$263 million (2007: US\$217 million) up 21%*
- Net Gaming Revenue for the 12 months ended 31 December 2008 from Emerging Offering US\$45 million (2007: US\$14 million) up 209%
- Net Gaming Revenue from Casino for the 12 months ended 31 December 2008 US\$134 million (2007: US\$118 million) up 13%
- Net Gaming Revenue from Poker for the 12 months ended 31 December 2008 US\$76 million (2007: US\$81 million) a decline of 6%
- 24% increase in real money registered accounts to 5.8 million as at 31 December 2008
- On track to meet or exceed full year clean EBITDA** market expectations
- Promising B2B pipeline with one white label deal already signed in January focusing on continental Europe
- Poker released in 11 new languages, 888sport launched in one additional language and integration of PayPal to 888’s already wide choice of payment methods
- Third party games integration continues and reached a total of 22 integrated games

* Percentages in this release are calculated without rounding.

** Before share benefit charges.

Set out below are 888's results for Q4 2008 followed by cumulative results for the entire year.

Key performance Indicators

Q4 2008

- Total Operating Income US\$60 million (Q4 2007: US\$65 million) a decline of 8% compared to Q4 2007, a result of adverse foreign exchange movement with the marked appreciation of the US\$ compared to the Sterling and the Euro, challenging trading conditions and an uncertain recessionary economic environment
- Net Gaming Revenue from Casino US\$29 million (Q4 2007: US\$35 million) a decline of 19% compared to Q4 2007
- Net Gaming Revenue from Poker US\$16 million (Q4 2007: US\$21 million) a decline of 25% compared to Q4 2007
- Number of active customers in Casino and Poker 201,119 a decline of 4% compared to Q4 2007
- NGR per active group customer in Casino and Poker US\$223 a decline of 18% compared to Q4 2007
- Number of active customers in Casino 72,762 a decline of 1% compared to Q4 2007
- NGR per active Casino customer US\$395 a decline of 18% compared to Q4 2007
- Number of active customers in Poker 158,557 a decline of 7% compared to Q4 2007
- NGR per active Poker customer US\$101 a decline of 19% compared to Q4 2007
- Net Gaming Revenue from Emerging Offering US\$12 million (2007: US\$6 million) up 100%

Twelve months ended 31 December 2008

- Total Operating Income for the 12 months ended 31 December 2008 US\$263 million (2007: US\$217 million) up 21%
- Net Gaming Revenue from Casino US\$134 million (2007: US\$118 million) up 13%
- Net Gaming Revenue from Poker US\$76 million (2007: US\$81 million) a decline of 6%

- Net Gaming Revenue from Emerging Offering US\$45 million (2007: US\$14 million) up 209%
- 24% increase in real money registered accounts to 5.8 million as at 31 December 2008

Trading Update and Current Trading

Trading in January 2009 has begun positively compared to December 2008, especially in Casino, Poker, Bingo and Live Dealer. Specifically, new customer recruitment increased more than 20%, Net Gaming Revenue by 10% and deposits by 4% in each case compared to December (which was the weakest month of the quarter).

888's B2B strategy is progressing well with one deal already signed in January focusing on continental Europe. Further B2B deals are being negotiated. Poker was released in 11 new languages including Japanese, Greek, Russian and eastern European languages, 888sport was launched in one additional language, third party games integration continues and now reached a total of 22 integrated games and the popular PayPal was integrated into 888's already wide choice of payment methods.

The group's financial position remains robust with approximately US\$99 million cash equivalents (of which approximately US\$33 million represent liabilities to customers) and no debt leaving the group in an excellent position to exploit M&A opportunities when they become available.

As such, the board remains confident about further progress during the year.

Material Events, Transactions and Financial Position

There have been no material events, transactions or changes in the financial position of 888 since the year end other than as set out above.

Commenting on today's announcement, Gigi Levy, Chief Executive Officer, said:

"888 demonstrated tremendous progress during 2008 with 21% Total Operating Income growth despite a disappointing Q4. The prolonged and deepening economic downturn and volatile adverse foreign exchange movements meant unprecedented challenging trading conditions following the end of the summer holiday season. Players played less and we recognised lower revenue denominated in US\$ however this was partly mitigated by tighter cost control and cost savings given the group's high proportion of costs which are denominated in non US\$ currencies. We are therefore confident that we will meet or exceed full year clean EBITDA market expectations.

During the year we have continued the transformation of the group from a pure B2C-focused organisation to a world class B2B end to end gaming

solution provider - a milestone of which was June's Sportech deal. Our pipeline for 2009 is promising and we expect to continue our progress across all business lines."

Analyst and Investor Conference Call

Gigi Levy, Chief Executive Officer, and Aviad Kobrine, Chief Financial Officer, will be hosting an analyst and investor conference call today at 9.30am (GMT).

In order to ensure access to the call, attendees should please confirm their attendance in advance by emailing Andrew Benbow: abenbow@bell-pottinger.co.uk.

Dial-in number: +44(0)20 7138 0842
Passcode: 8482324#

Replay number: +44(0)20 7806 1970 (available for 1 week)
Replay passcode: 8482324#

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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 - KPI comparison

Appendix KPI Table

KPI*									
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	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q4 08
Casino & Poker								
NGR US\$m	\$ 46.9	\$ 47.8	\$ 47.6	\$ 56.7	\$ 56.9	\$ 55.2	\$ 53.0	\$ 44.8
Active players	205,907	208,876	209,811	209,918	213,115	214,725	216,727	201,119
NGR per active player	\$228	\$229	\$227	\$270	\$267	\$257	\$245	\$223
Casino								
NGR US\$m	\$ 26.0	\$ 27.9	\$ 29.0	\$ 35.3	\$ 35.0	\$ 35.5	\$ 34.4	\$ 28.7
Active players	70,769	72,362	72,847	73,737	77,370	77,837	77,949	72,762
NGR per active player	\$367	\$386	\$398	\$478	\$453	\$456	\$441	\$395
Poker								
NGR US\$m	\$ 20.9	\$ 19.9	\$ 18.6	\$ 21.4	\$ 21.9	\$ 19.8	\$ 18.7	\$ 16.1
Active players	168,066	166,772	168,105	170,401	170,988	169,898	169,607	158,557
NGR per active player	\$124	\$119	\$111	\$126	\$128	\$116	\$110	\$101
Emerging Offering**								
NGR US\$m	\$ -	\$ 2.5	\$ 5.8	\$ 6.2	\$ 7.6	\$ 11.8	\$ 12.8	\$ 12.3
Other Revenue US\$m								\$ 2.4
Group Revenue US\$m	\$ 46.9	\$ 50.3	\$ 53.4	\$ 62.8	\$ 64.5	\$ 67.0	\$ 65.8	\$ 59.5
Other operating income	\$ 0.0	\$ 0.7	\$ 1.1	\$ 1.7	\$ 1.6	\$ 2.2	\$ 1.9	\$ -
Total Operating Income	\$ 46.9	\$ 51.0	\$ 54.5	\$ 64.5	\$ 66.1	\$ 69.2	\$ 67.7	\$ 59.5

*Rounded

** Reclassified per management accounts