

9 February 2010

**888 Holdings Public Limited Company (“888”)  
Interim Management Statement  
Q4 2009 Key Performance Indicators and Trading Update\***

888, one of the world’s most popular online gaming entertainment companies, is pleased to provide the following trading update for the fourth quarter of 2009 and cumulative results for the twelve months ended 31 December 2009.

**Financial Highlights**

- Total Operating Income US\$68 million (Q4 2008: US\$60 million), 14% increase compared to Q4 2008 and a 12% increase compared to Q3 2009
- Total Operating Income B2B at US\$14 million (Q4 2008: US\$11 million), an increase of 36% on Q4 2008 and a 13% increase compared to Q3 2009
- Total Operating Income B2C at US\$54 million (Q4 2008: US\$49 million), 9% increase compared to Q4 2008 and an 11% increase compared to Q3 2009
- Total Operating Income B2C Emerging Offering at US\$7 million (Q4 2008: US\$5 million), increase of 52% compared to Q4 2008 and a 15% increase compared to Q3 2009
- Total Operating Income B2C Casino at US\$33 million (Q4 2008: US\$30 million), 13% increase compared to Q4 2008 and a 14% increase compared to Q3 2009

**Operational**

- Acquisition of Wink Bingo completed on 31 December 2009 and already contributing to revenue and profit
- Pioneering £8,888,888 *Pirates Millionaire* free spin slot machine launched together with prominent UK TV campaign
- New £5,000,000 Pot of Gold Bingo promotion launched together with prominent UK TV campaign
- Dragonfish signed a major e-Payments processing agreement with Linden Lab® in November, extending its offering beyond online gaming

\* All percentages in this release are calculated without rounding.

## Key Performance Indicators

### Fourth Quarter 2009

#### Group

- Total Operating Income US\$68 million (Q4 2008: US\$60 million), 14% increase compared to Q4 2008 and a 12% increase compared to Q3 2009
- As at 31 December 2009, 888 had 7.1 million Casino, Poker and Sport real money registered customer accounts, representing an increase of 24% since 31 December 2008

#### B2C

- Total Operating Income B2C at US\$54 million (Q4 2008: US\$49 million), 9% increase compared to Q4 2008 and an 11% increase compared to Q3 2009
- Total Operating Income B2C Casino at US\$33 million (Q4 2008: US\$30 million), 13% increase compared to Q4 2008 and a 14% increase compared to Q3 2009
- Total Operating Income B2C Poker at US\$13 million (Q4 2008: US\$15 million), 11% decrease compared to Q4 2008 and a 3% increase compared to Q3 2009
- Total Operating Income B2C Emerging Offering at US\$7 million (Q4 2008: US\$5 million), increase of 52% from Q4 2008 and a 15% increase compared to Q3 2009
- Number of active customers B2C Casino and Poker at 173,000, an increase of 2% compared to Q3 2009
- Number of active customers B2C Casino at 68,000, a 9% increase compared to Q3 2009
- Number of active customers B2C Poker at 132,000, a decrease of 1% compared to Q3 2009
- Quarterly Total Operating Income B2C per active Casino and Poker customer was US\$268, an increase of 8% compared to Q3 2009
- Quarterly Total Operating Income B2C per active Casino customer was US\$493, an increase of 5% compared to Q3 2009
- Quarterly Total Operating Income B2C per active Poker customer was US\$98, an increase of 5% compared to Q3 2009

## B2B

- Total Operating Income B2B at US\$14 million (Q4 2008: US\$11 million), an increase of 36% on Q4 2008 and a 13% increase compared to Q3 2009

## Twelve Months ended 31 December 2009

### Group

- Total Operating Income US\$247 million (2008: US\$263 million), a decrease of 6%

## B2C

- Total Operating Income B2C at US\$195 million (2008: US\$224 million), a decrease of 13%
- Total Operating Income B2C Casino at US\$119 million (2008: US\$137 million), a decrease of 13%, mainly as a result of adverse exchange rate movement
- Total Operating Income B2C Poker at US\$52 million (2008: US\$74 million), a decrease of 30%, a combination of adverse exchange rate movement and challenging poker trading conditions
- Total Operating Income B2C Emerging Offering at US\$25 million (2008: US\$14 million), an increase of 82%

## B2B

- Total Operating Income B2B at US\$51 million (2008: US\$39 million), a 33% increase

## Current Trading

The first quarter of 2010 started well. During the first five weeks of the year group average daily Total Operating Income was more than 7% higher than Q4. New customer recruitment across the group showed a strong increase of more than 52%. Growth was driven by B2C, especially Casino and 888Ladies, with more than 18 per cent increase in average daily Total Operating Income compared to Q4 (4% excluding the impact of the Wink Bingo acquisition).

Operational progress continues apace. In January 888 initiated a major re-branding exercise to streamline the 888 brand focus and re-brand core products as being distinct, but complimentary, parts of the wider 888.com brand. With a reinvigorated look and feel and unified logos, the sub-brands all speak with one language and link into one offer. The new sites, built on a new state of the art Content Management System, were launched as 888casino, 888poker, 888bingo and 888sport.

The \$8,888,888 Pirates Millionaire free spin slot UK TV campaign continues and has been joined by a ground breaking £5 million Pot of Gold unique bingo promotion.

Interactive video content was introduced for the first time at 888Sport for football, horse racing & tennis, promoting daily popular sport events. Bingo platform enhancement includes 17 new Quickplay 'instant' games including X-Factor and 5 new bingo jackpots. The Poker offering was taken a step forward with the introduction of a multi-lingual software client and optimized tournament structure. Casino benefited from 6 new games, upgraded NoDownload and 3D Scratch card arena. Webmoney, a local popular eWallet payment method in Eastern Europe was expanded by a further six additional countries to 12.

In November, Dragonfish signed a major e-Payments processing agreement with Linden Lab®, the world's leading virtual world technology company and creator of Second Life®, for the first time diversifying its business beyond the gaming industry. In addition 888 has recently signed an agreement with Lex Online Entertainment, a wholly owned subsidiary of Centric Multimedia for the provision of online casino and poker software and back office technology, fraud and risk management, e-payments processing systems and customer support in three languages. The offering is aimed at territories in the South Eastern European market, a market that has significant potential for online gaming.

In addition, during the quarter, Kamay Holdings Ltd., owner of leading poker and casino sites LuckyAcePoker, LuckyAce Casino and SuproCasino, has selected Dragonfish as its bingo partner to launch Silk Bingo. SilkBingo will join the Dragonfish bingo network, which contains more than 60 bingo brands.

The group's financial position is strong with approximately US\$98 million cash equivalents (of which approximately US\$38 million represent liabilities to customers) and no debt leaving the group in a sound position to exploit further M&A opportunities when they become available.

The board remains confident about meeting 2009 consensus (clean) EBITDA and of further progress during the current 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:

*"We are pleased that the fourth quarter saw a return to stronger trading, with 14% top-line growth compared to 2008 and 12% quarter on quarter. Overall, trading during the quarter was strong across the business. Dragonfish*

*continues its impressive growth, and in B2C Casino and Emerging Offering were particularly strong, with poker also returning to growth quarter on quarter.*

*Our positive momentum continues into 2010 and, supported by the successful Wink acquisition and our various business initiatives, we expect to grow the business further during the current year."*

888's final results for the year ended 31 December 2010 will be issued on Tuesday 23 March 2010.

### **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 at 9.30am (GMT) today.

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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*	2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>B2C TOI</b>								
Casino	35.8	36.3	34.8	29.6	26.7	29.2	29.4	33.4
Poker	21.9	19.7	17.4	14.5	13.7	12.5	12.5	12.9
Emerging Offering	1.0	3.6	4.4	4.8	4.8	6.7	6.4	7.3
<b>Total Operating Income B2C</b>	<b>58.7</b>	<b>59.6</b>	<b>56.7</b>	<b>49.0</b>	<b>45.1</b>	<b>48.4</b>	<b>48.2</b>	<b>53.6</b>
<b>B2C KPI</b>								
TOI Casino US\$m	35.8	36.3	34.8	29.6	26.7	29.2	29.4	33.4
Active Players Casino (000)	74.3	74.0	72.5	66.9	62.1	66.5	62.4	67.9
TOI Casino per active player US\$	\$ 482	\$ 491	\$ 480	\$ 443	\$ 429	\$ 439	\$ 471	\$ 493
TOI Poker US\$m	21.9	19.7	17.4	14.5	13.7	12.5	12.5	12.9
Active Players Poker (000)	158.4	153.0	149.3	136.7	133.1	142.4	133.8	131.9
TOI Poker per active player US\$	\$ 138	\$ 129	\$ 117	\$ 106	\$ 103	\$ 88	\$ 93	\$ 98
TOI Casino & Poker US\$m	57.7	56.0	52.3	44.2	40.4	41.8	41.8	46.3
Active Players Casino & Poker (000)	199.1	195.9	193.7	176.5	167.7	179.7	168.5	172.7
TOI Casino & Poker per active player US\$	\$ 290	\$ 286	\$ 270	\$ 250	\$ 241	\$ 232	\$ 248	\$ 268
<b>B2B TOI</b>								
Total B2B Operating Income	7.4	9.7	11.0	10.5	11.9	12.4	12.7	14.3
<b>Total Operating Income</b>	<b>66.1</b>	<b>69.2</b>	<b>67.7</b>	<b>59.5</b>	<b>57.0</b>	<b>60.9</b>	<b>60.9</b>	<b>67.9</b>

\* Rounded.