



RESULTS FOR THE SIX MONTHS ENDED

30 JUNE 2014

AGENDA

Brian Mattingley | Introduction

Aviad Kobrine | Financial Review

Itai Frieberger | Operational Review

Brian Mattingley | Summary

Q&A

SUMMARY OF RESULTS – H1 2014

- Another set of record results
- Revenue up **13%** to **\$225m**
- Adjusted EBITDA¹ up **27%** to **\$49m**
- PBT (net of finance) **\$36.5m** up **25%**
- Generated **\$47m** cash an increase of **22%** on H1 2013
- Corporate Cash net of customer liabilities at half year **\$60m** up 50% on H1 2013
- Interim Dividend of **3.5c** per share an increase of **17%**
- Current trading remains strong in line with revised expectations

¹ As defined in the 2014 Half-yearly Report.

GROWTH ACROSS ALL KEY PRODUCTS

- UK Mobile revenue doubled – now 29% of UK revenue
- Sport revenue increased by 102%
- Poker continues to buck negative industry trends, growing 3%
- Bingo restructure is delivering with 9% growth
- Casino delivered 14% revenue growth
- Maintained our market share in Spain and meaningful presence in Italy
- B2B revenue increased by 40%
- Successful launch in US
- Current trading well ahead of previous year

GROWTH DRIVERS IN H2

- New In-House and 3rd party content in Casino
- Increased content on Mobile
- Further off-line marketing in Sport and geographical spread
- Slots regulated in Spain
- Launch of Spanish sportsbook
- Mobile launched in Italy
- US opportunities



AVIAD KOBRINE, CFO | FINANCIAL REVIEW

PROFIT AND LOSS ACCOUNT¹

\$m	H1 14	H1 13	
Revenue	225.1	200.1	13%
Operating expenses ²	71.5	61.3	
Research and development expenses	19.3	15.2	
Selling and marketing expenses	69.6	72.1	
Administrative expenses ³	15.7	12.8	
Adjusted EBITDA³	49.0	38.6	27%
<i>% of Revenues</i>	21.8%	19.3%	
Depreciation and Amortisation	8.6	6.8	
Share benefit charges and other	(0.5)	1.1	
Share of Joint ventures loss	4.4	1.5	
Profit Before Tax and Finance	36.5	29.2	25%
Finance (F/X and others)	2.5	(6.3)	
Profit Before Tax	34.0	35.5	
Taxation	3.6	3.4	
Profit after tax	30.4	32.1	
Adjusted EPS⁴	9.7 ¢	9.9 ¢	

¹ Totals may not sum due to rounding.

² Excluding depreciation of US\$4.5 million (H1 13: US\$4.1million) and amortisation of US\$4.1 million (H1 13: US\$2.7 million).

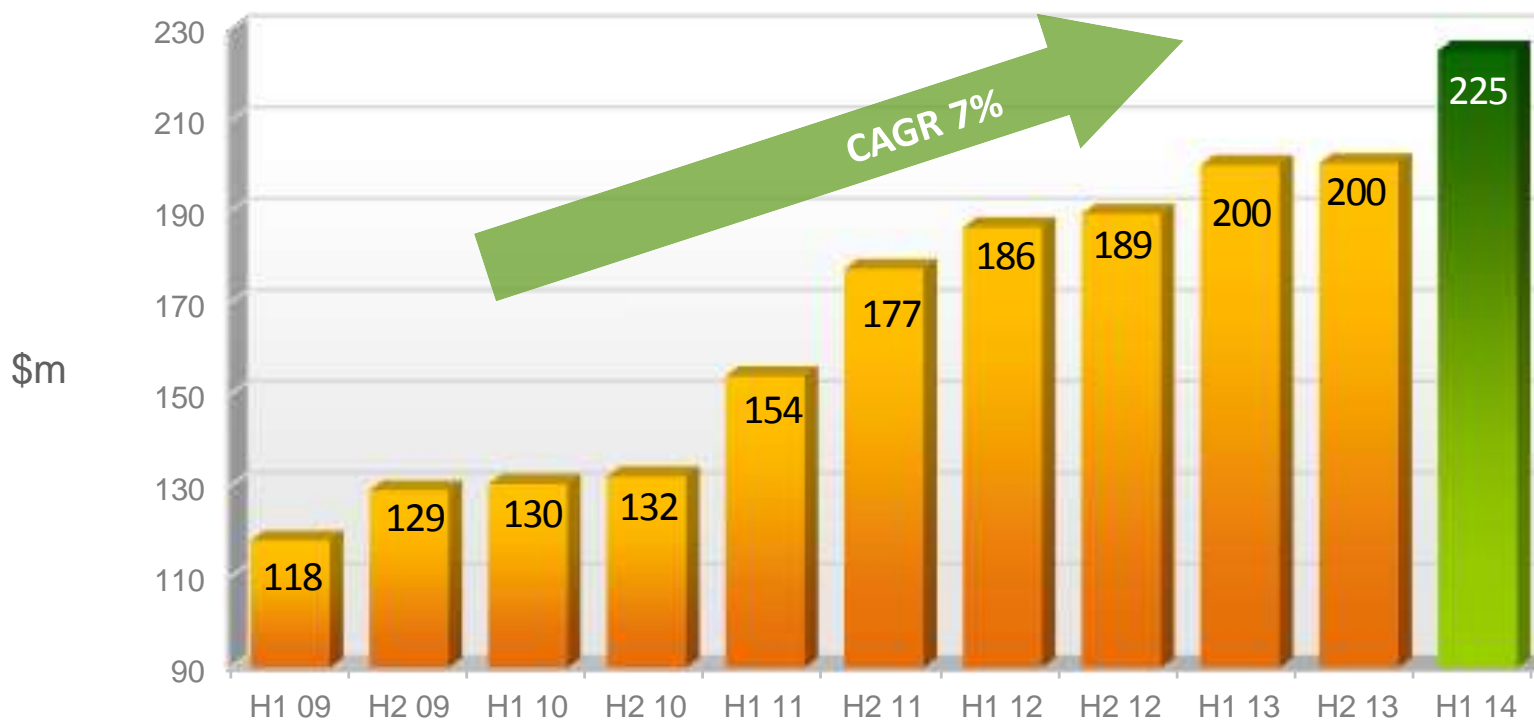
³ Excluding share benefit credit of US\$0.5 million (H1 13: charges of US\$2.5 million)

⁴ As defined in note 4 to the financial statement

REVENUE

- H1 2014 - revenue up **13%** to **\$225m** (H1 13: \$200m)
- Another record period
- Strong core products performance, in part driven by enhanced mobile offering

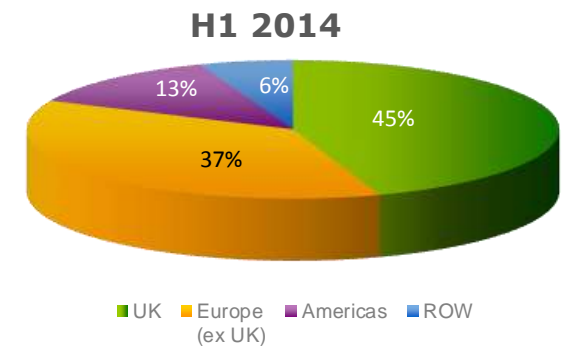
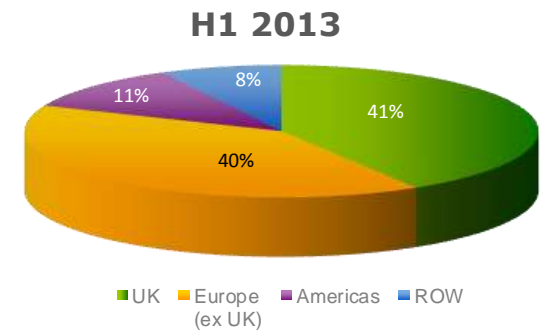
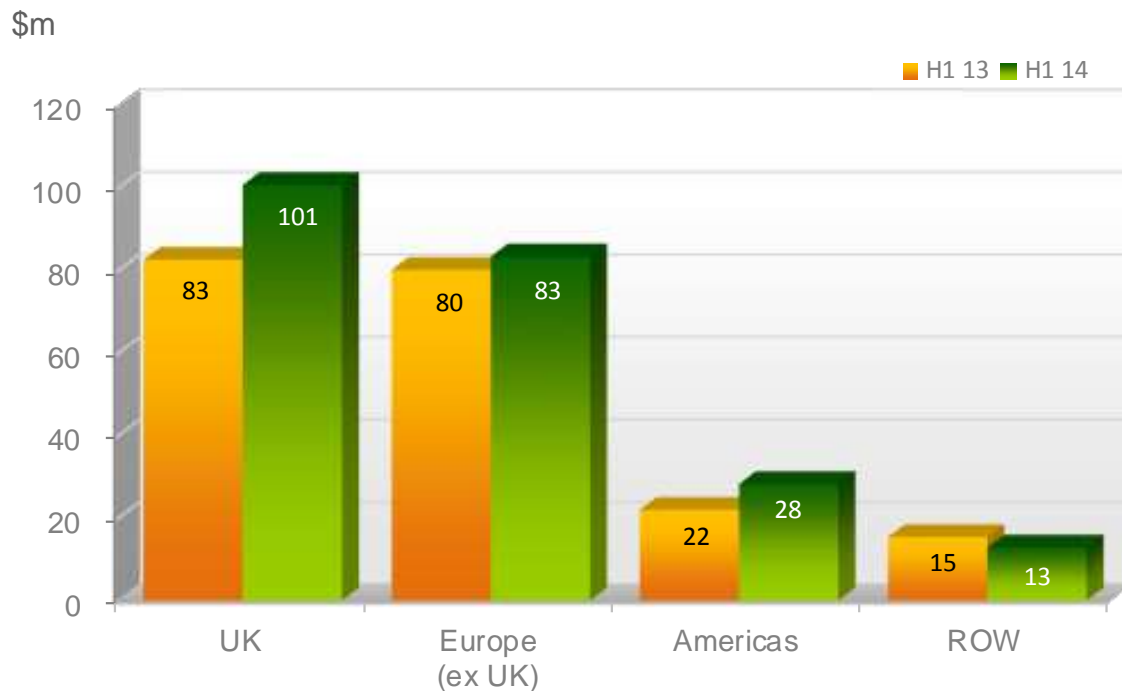
Revenue H1 09 – H1 14(\$m)



GEOGRAPHICAL SEGMENTATION

- Revenue growth in UK **22%**, Europe (ex. UK) **4%**, Americas **28%**, ROW down 17%
- UK growth driven Casino, by mobile success and Bingo turnaround

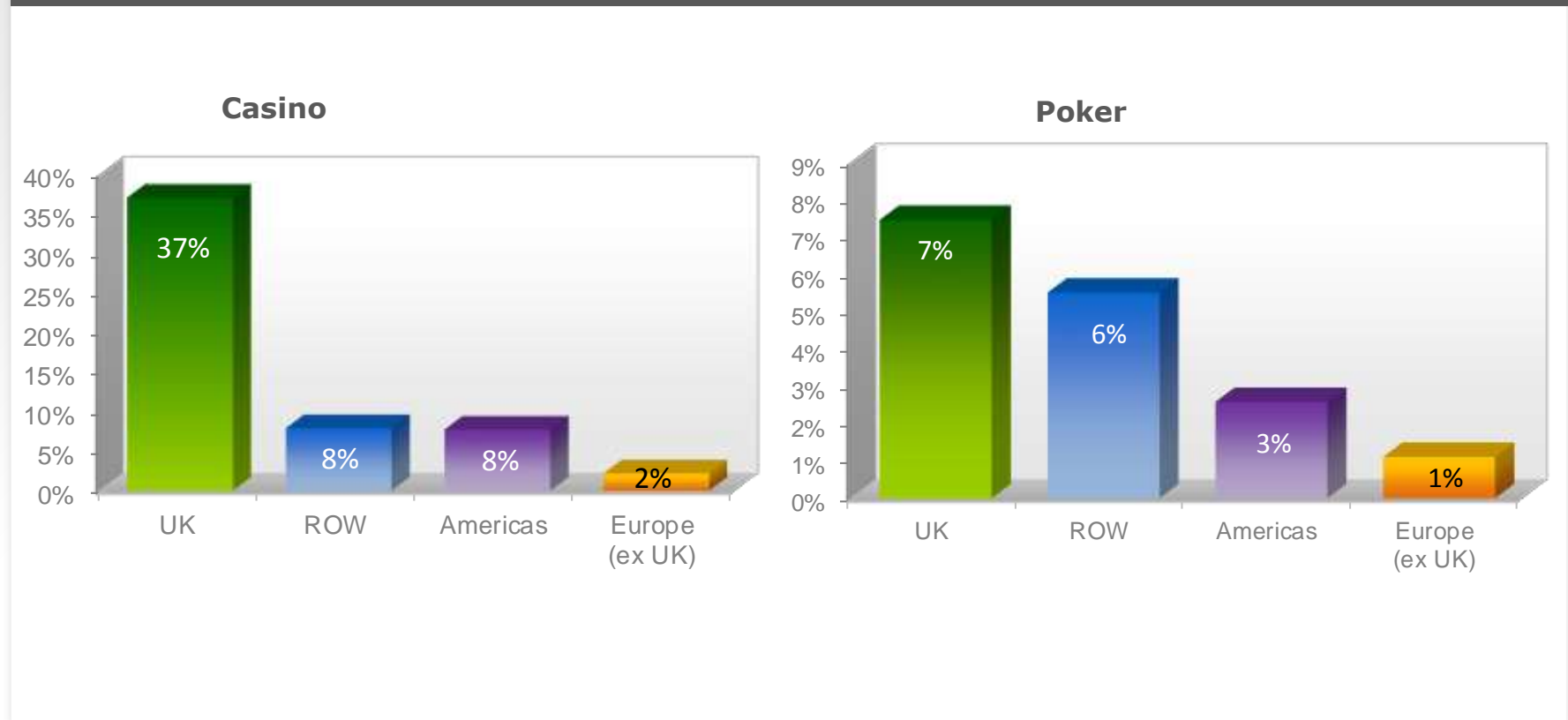
Geographic segmentation, Total Revenue H1 13 and H1 14



GEOGRAPHICAL GROWTH BY REGION/PRODUCT

- Strong growth in the UK, boosted by Mobile penetration
- Revenue in both Casino and Poker increased across all regions

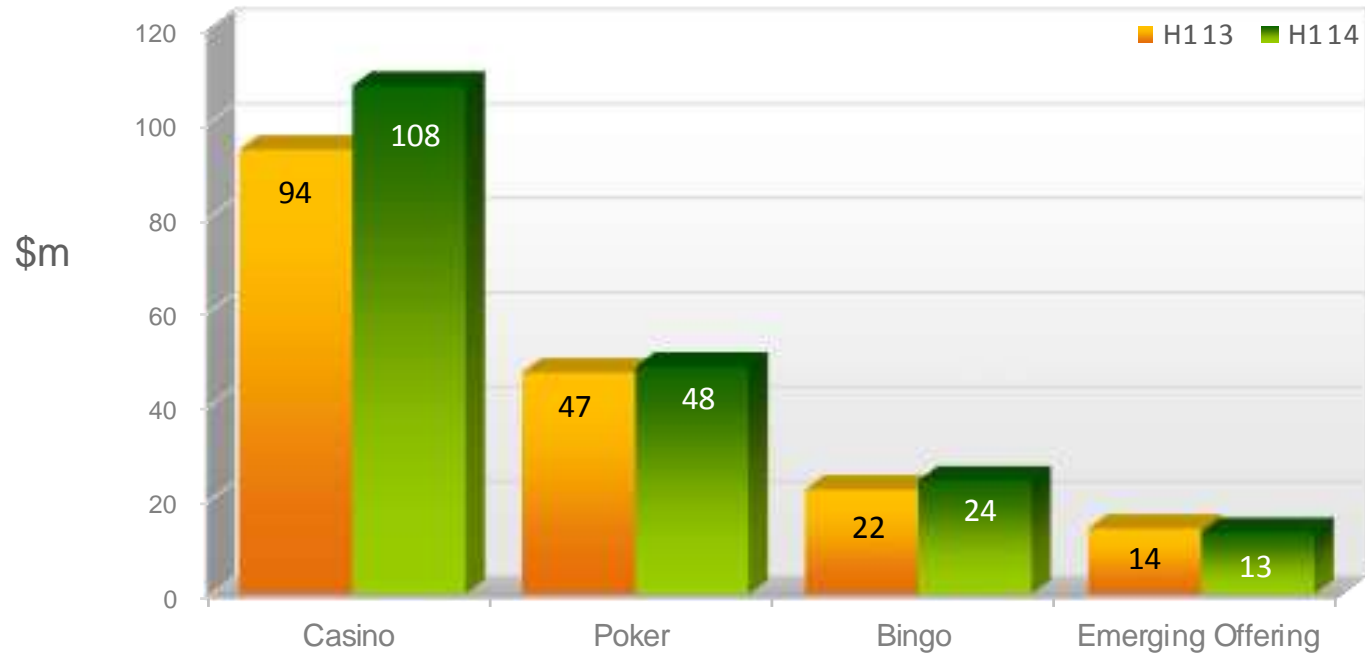
Casino & Poker B2C Revenue Growth in H1 14 vs. H1 13



REVENUE B2C BY PRODUCT

- Strong Casino performance lead revenue growth
- Bingo turnaround
- Casino up **14%**, Poker up **3%**, Bingo up **9%**, Emerging Offering down 6%

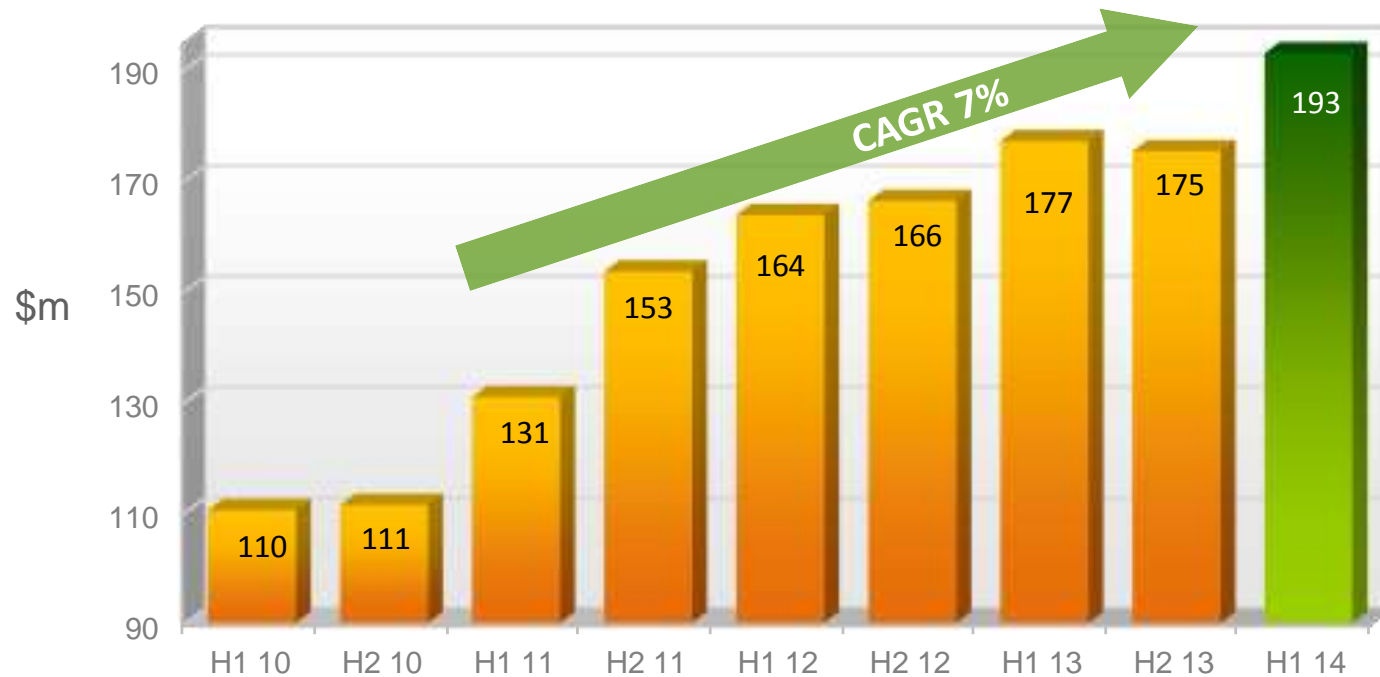
Revenue B2C H1 14 vs. H1 13 (\$m)



REVENUE B2C

- H1 14 revenue up **9%** to **\$193m** (H1 13: \$177m)
- 7% CAGR
- Strong H1 despite June FIFA World Cup

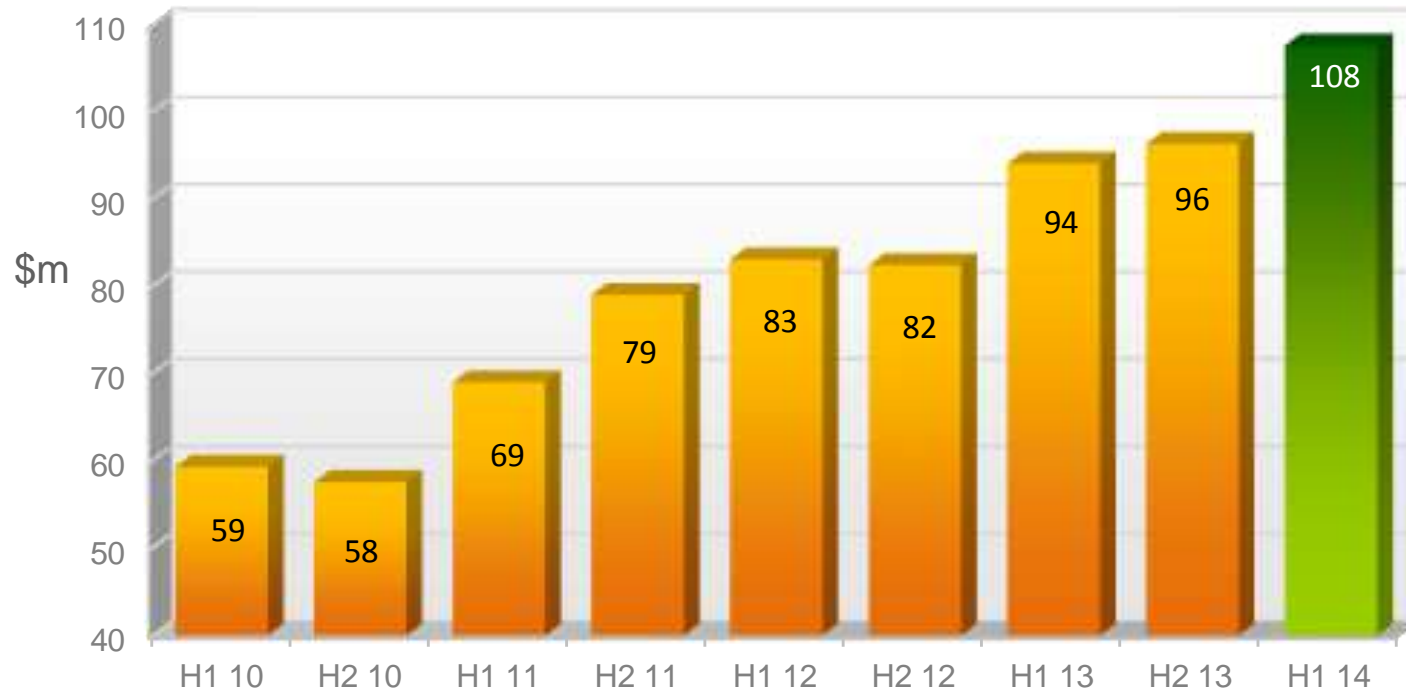
Revenue B2C H1 10 – H1 14 (\$m)



REVENUE CASINO B2C

- H1 2014 revenue up **14%** to **\$108m** (H1 13: \$94m)
- Casino strong revenue growth continued to be driven by rich offering across platforms, effective marketing and CRM, driving player value higher

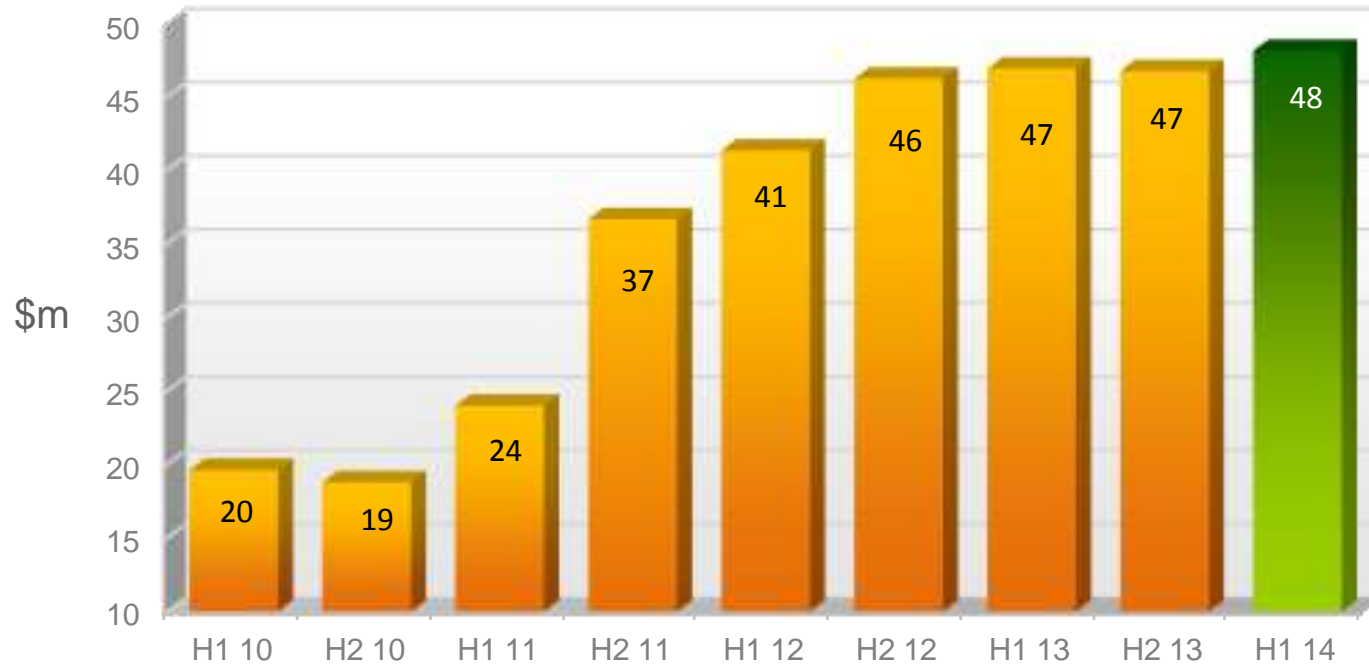
Revenue Casino B2C H1 10 – H1 14 (\$m)



REVENUE POKER B2C

- H1 2014 revenue up **3%** to **\$48m** (H1 13: \$47m)
- Maintaining our No. 2 position in global poker rankings*
- Delivering revenue growth in a mature market

Revenue Poker B2C H1 10 – H1 14 (\$m)



* Source Pokerscout.com July 2014

PLAYERS' VALUE

- Stable Poker value
- Continued increase in Casino value
- Demonstrates quality of revenue



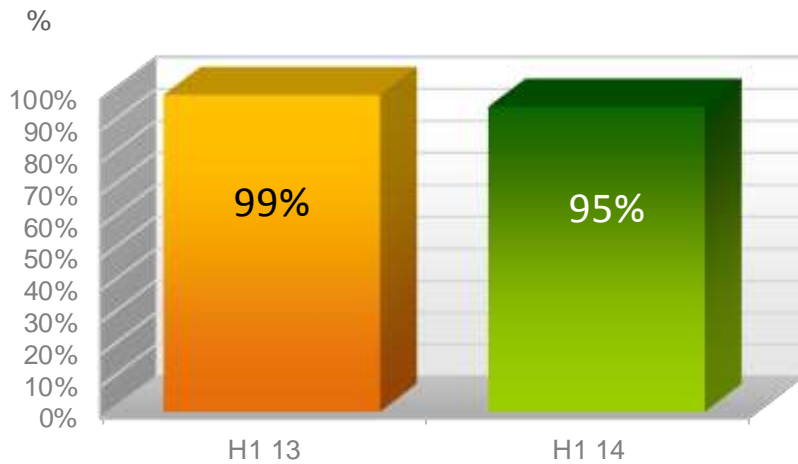
* GGR base, for all players recruited in Q1 average first 3 month value

CASH FROM OPERATIONS

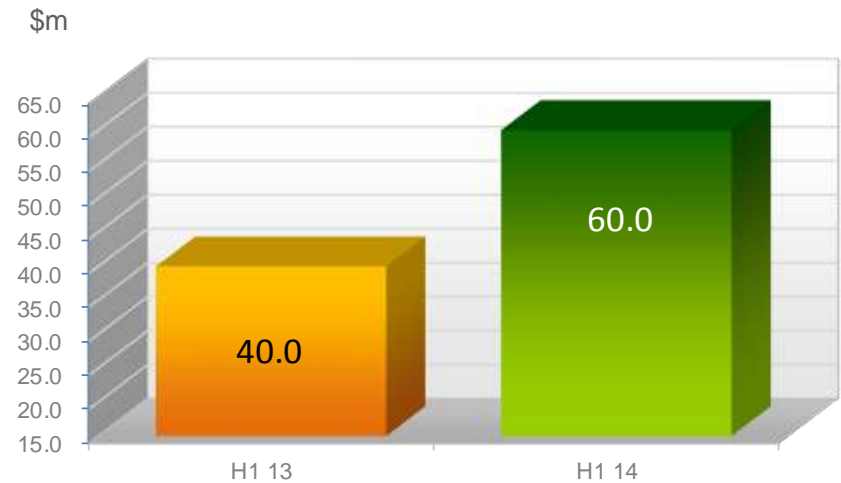
- High conversion of cash continues, **95%** of Adjusted EBITDA (H1 13: 99%)
- Corporate cash net of customers deposits increased **50%** to \$60m (H1 13: \$40m)

Cash position H1 14 vs. H1 13

Cash from operations (% of adj. EBITDA)



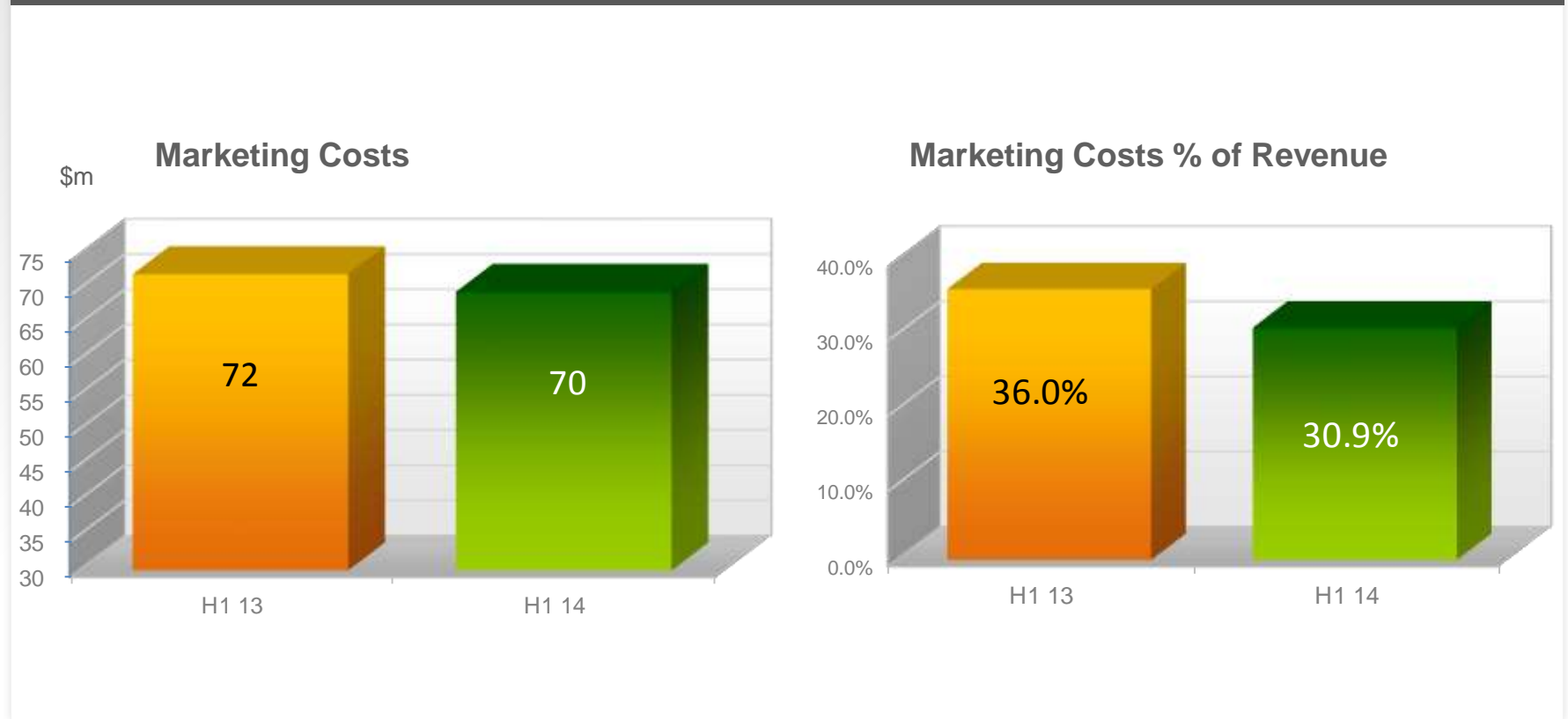
Corporate cash net of customers



MARKETING COST RATIO

- Marketing spend decreased in absolute and in ratio, will gravitate to historical levels over time
- Rigid return on investment guidelines maintained, revenue driven by effective CRM

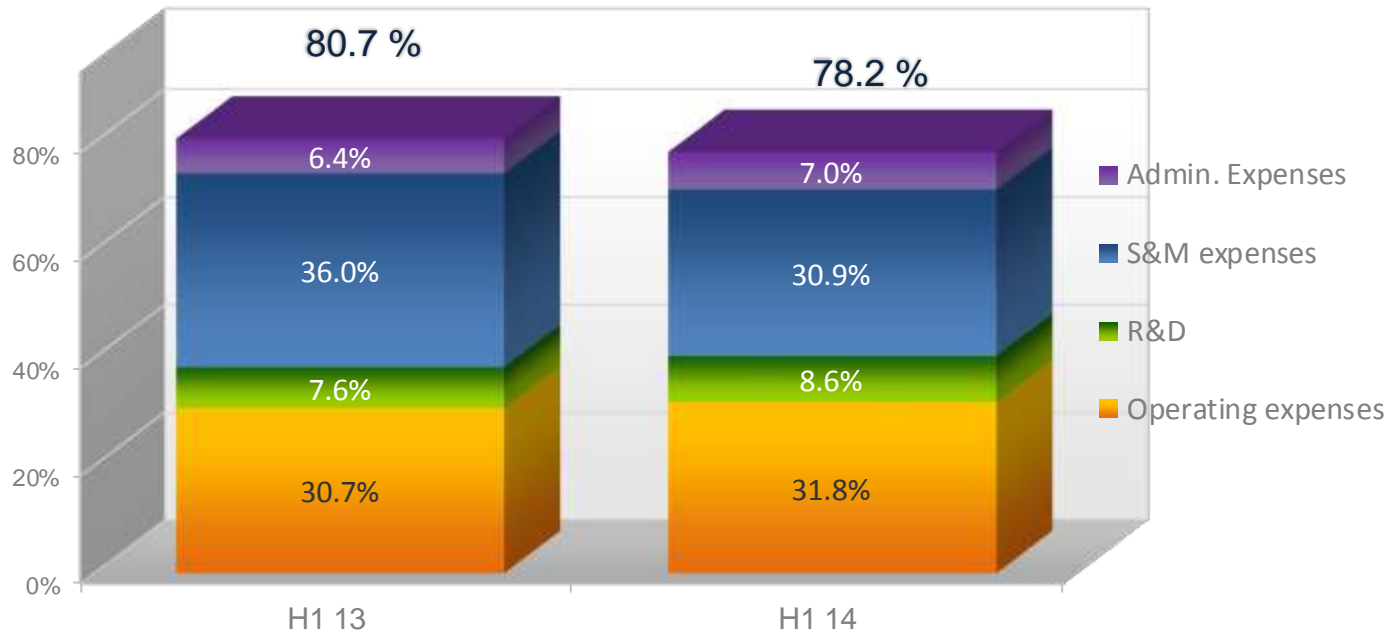
Marketing Costs H1 14 vs. H1 13



COST STRUCTURE

- Cost* percentage of revenue at **78%** (H1 13: 81%)
- R&D increase
- Operational gearing continues, despite US focus

Cost as a % of Total Revenue H1 14 vs. H1 13

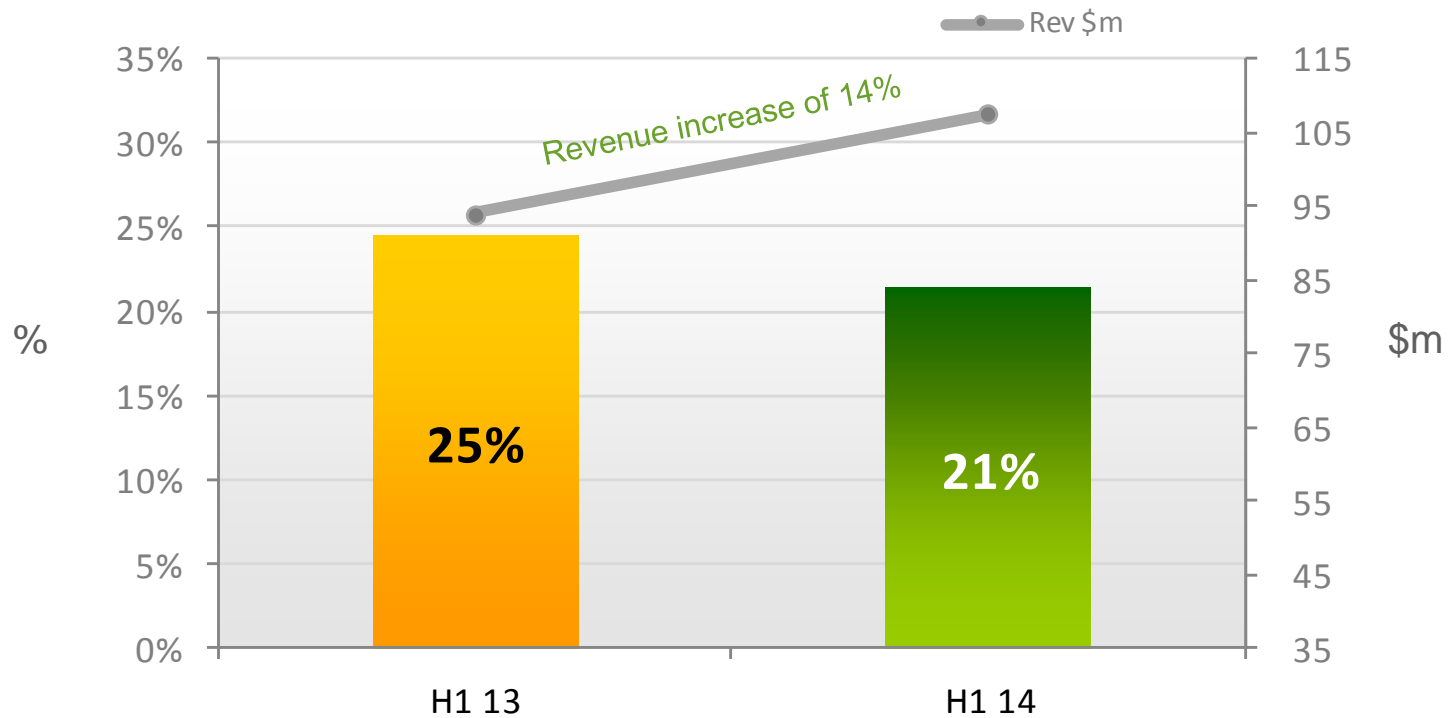


* Excluding share benefit charges, depreciation, amortisation

CUSTOMER INCENTIVES B2C CASINO

- H1 14 bonus ratio continues to demonstrate optimal CRM efforts, supporting revenue growth

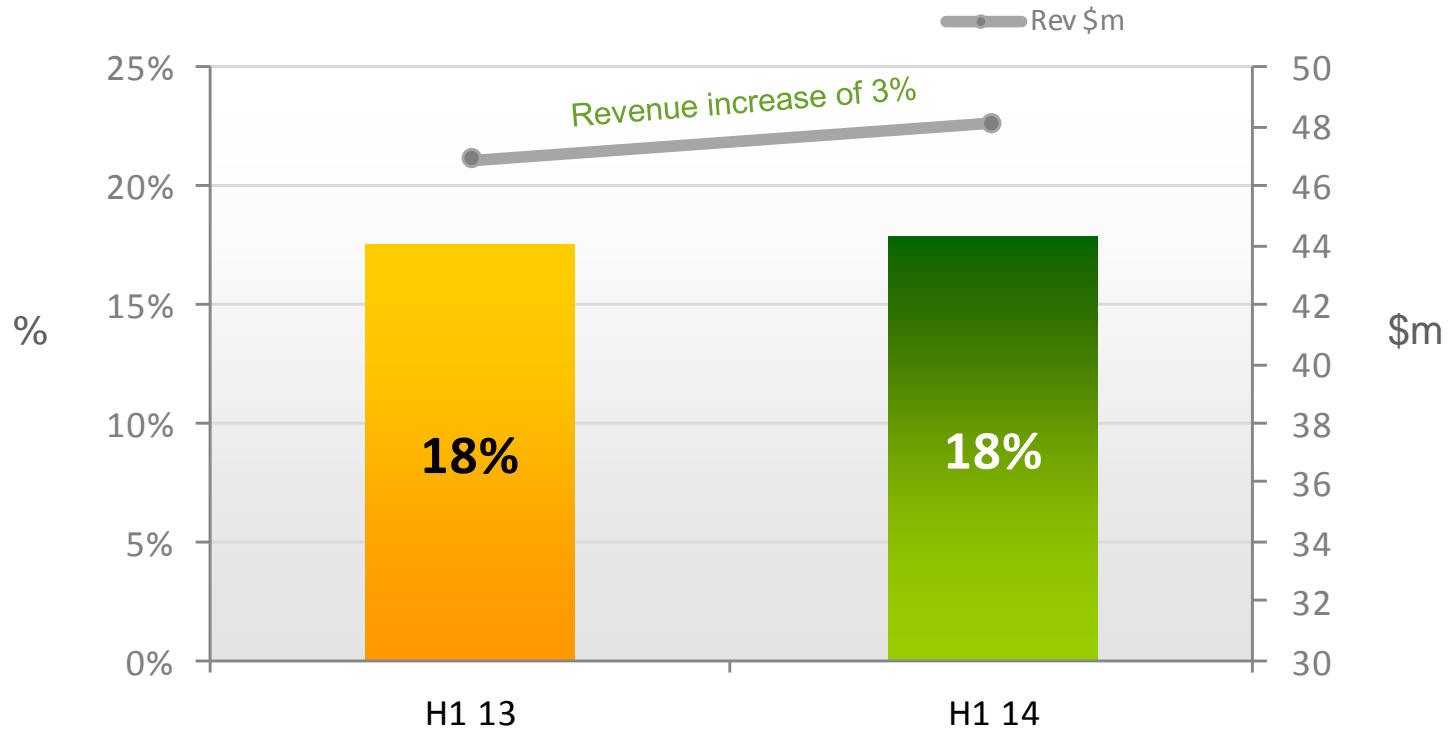
Customer Bonuses as % of Revenue



CUSTOMER INCENTIVES B2C POKER

- Bonus ratio is maintained in Poker while revenue growth continues
- Underlined by optimal CRM work

Customer Bonuses as % of Revenue

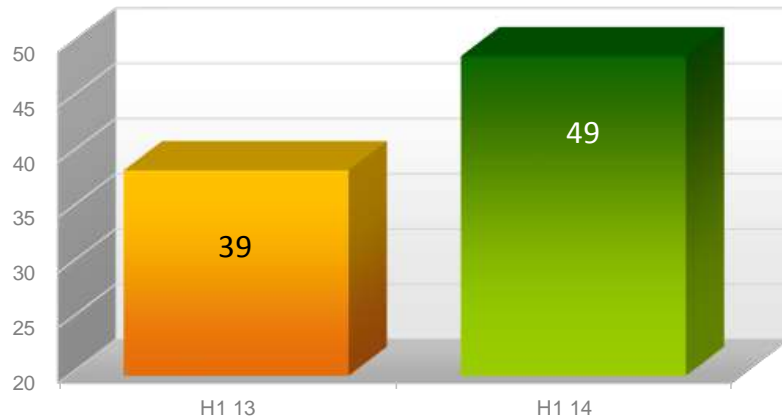


ADJUSTED EBITDA AND MARGIN

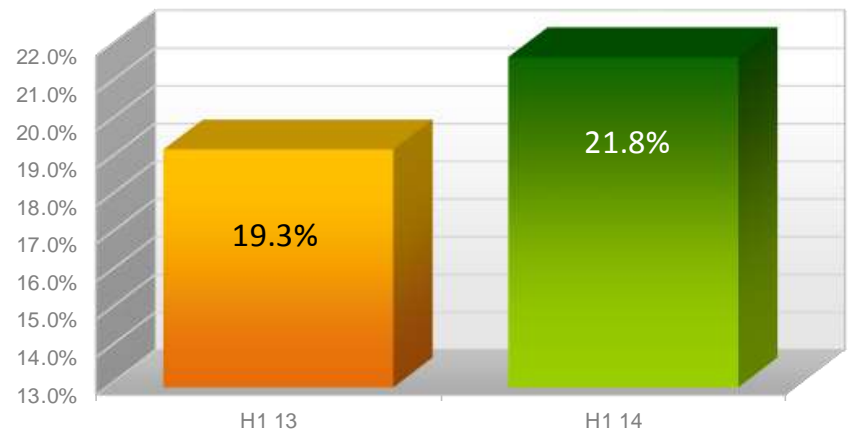
- Adjusted EBITDA up **27%** to **\$49m** (H1 13: \$39m)
- Adjusted EBITDA margin increased to **21.8%** despite FIFA World Cup effect and US build-up focus

Adjusted EBITDA H1 14 vs. H1 13

\$m Adjusted EBITDA



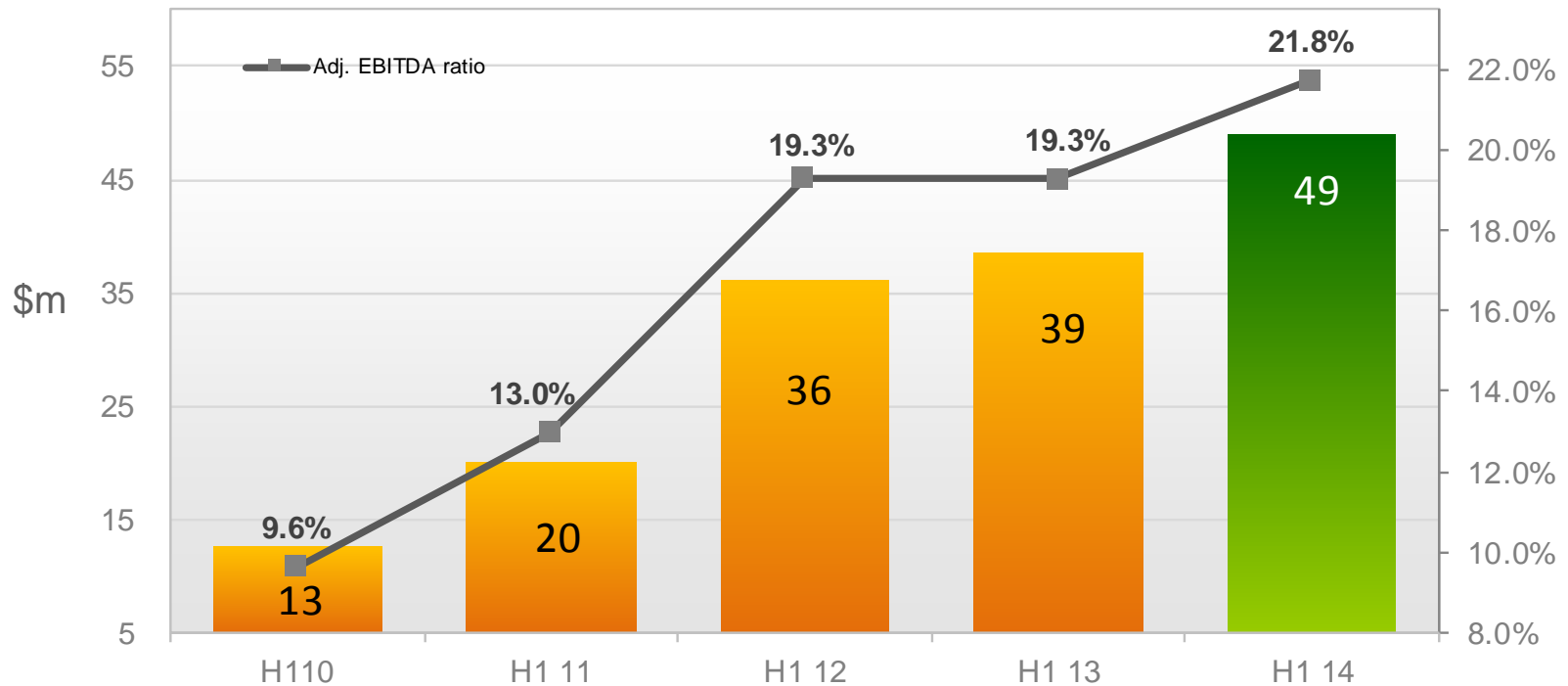
Adjusted EBITDA margin



ADJUSTED EBITDA TREND

- Adjusted EBITDA Margin expansion despite US focus
- H1 14 Adjusted EBITDA exceeds previous year strong comparable

Adjusted EBITDA H1 2014



BALANCE SHEET

\$m	30-Jun-14	30-Jun-13
Non-current assets		
Intangible assets	156.9	149.8
Property, plant and equipment	17.6	17.3
Deferred tax & Other financial assets	0.9	0.2
Investment in equity accounted joint ventures	3.2	0.4
	178.6	167.7
Current assets		
Cash and cash equivalents	118.7	89.3
Trade and other receivables	30.8	30.8
Short term investments	1.1	3.6
	329.2	291.4
Total Assets		
	329.2	291.4
Equity		
Share capital and share premium	4.4	4.0
Retained earnings and reserves	166.4	155.8
Total equity attributable to equity holders	170.8	159.8
Liabilities		
Current liabilities		
Trade and other payables	97.2	80.1
Customer deposits	58.7	49.3
Contingent consideration	0.2	0.6
Non-current liabilities		
Cash settled liability	2.3	1.6
	329.2	291.4
Total equity and liabilities	329.2	291.4

* Rounded

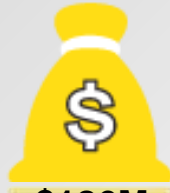
CASH FLOW STATEMENT

\$m six month Ended 30 June	H1 14	H1 13
Cash flows from operating activities		
Profit before income tax	34.0	35.5
Share benefit charges	(0.5)	2.5
Depreciation & amortisation	8.6	6.8
Change in current assets and liabilities	5.9	(2.2)
Other non cash adjustments	3.6	(2.4)
Cash generated from operations	51.6	40.2
Income tax paid	(4.9)	(1.9)
Net cash generated from operating activities	46.7	38.3
Acquisitions	(0.1)	(0.6)
Purchase of property, plant and equipment	(3.0)	(3.0)
Internally generated intangible assets	(4.1)	(4.7)
Other investment activity	1.7	(0.1)
Net cash used in Investing Activities	(5.5)	(8.4)
Issue of shares	0.3	0.7
Dividends paid	(38.6)	(22.8)
Net increase in cash and cash equivalents	2.9	7.8
Cash and cash equivalents - beginning of period	115.8	81.5
Cash and cash equivalents - end of period	118.7	89.3

* Rounded

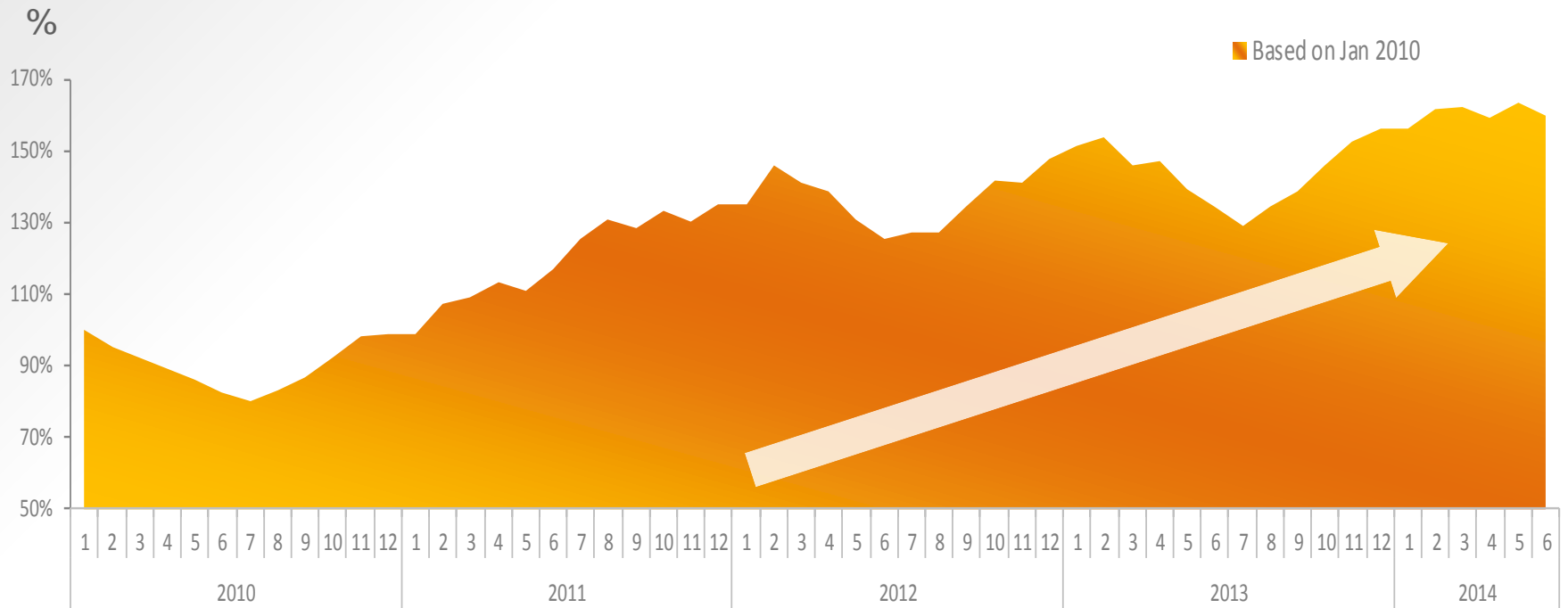


ITAI FRIEBERGER, COO | OPERATIONAL REVIEW

TOTAL**GROUP REVENUE****\$154M**
H1 2011**\$186M**
H1 2012**\$200M**
H1 2013**\$225M**
H1 2014**B2C****DEPOSIT****100%**
JUN 2013**112%**
OCT 2013**120%**
JAN 2014**125%**
MAY 2014**SPORT****BETS****100%**
JUN 2013**165%**
DEC 2013**198%**
MAR 2014**228%**
JUN 2014**CASINO****REVENUE****100%**
JUN 2013**113%**
OCT 2013**118%**
JAN 2014**126%**
MAY 2014**DEPOSITS****100%**
JUN 2013**116%**
NOV 2013**122%**
FEB 2014**126%**
MAY 2014**BINGO****DEPOSIT****100%**
JUN 2013**106%**
OCT 2013**116%**
MAR 2014**125%**
MAY 2014**POKER****ACTIVE PLAYERS****100%**
JUN 2013**107%**
NOV 2013**117%**
DEC 2013**124%**
APR 2014

DEPOSIT TREND

B2C DEPOSITS 2010 – 2014



*Jan 2010 as base = 100%

**Daily average Deposits

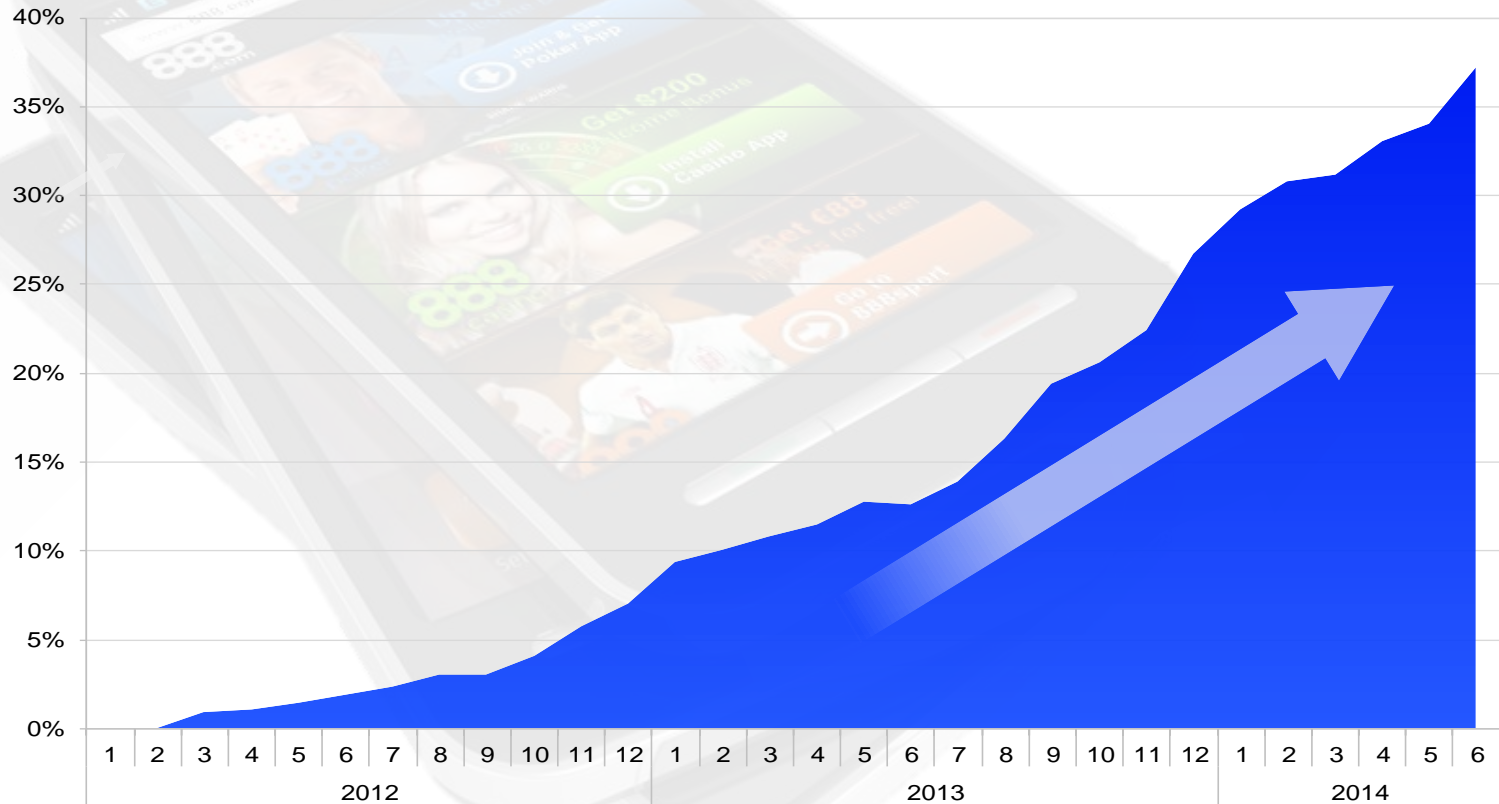
MOBILE



- True “Mobile First” organization
- Mobile is our state of mind
- Embedded across all verticals and business units
- Up to 50% of certain metrics

MOBILE DEPOSIT IN UK

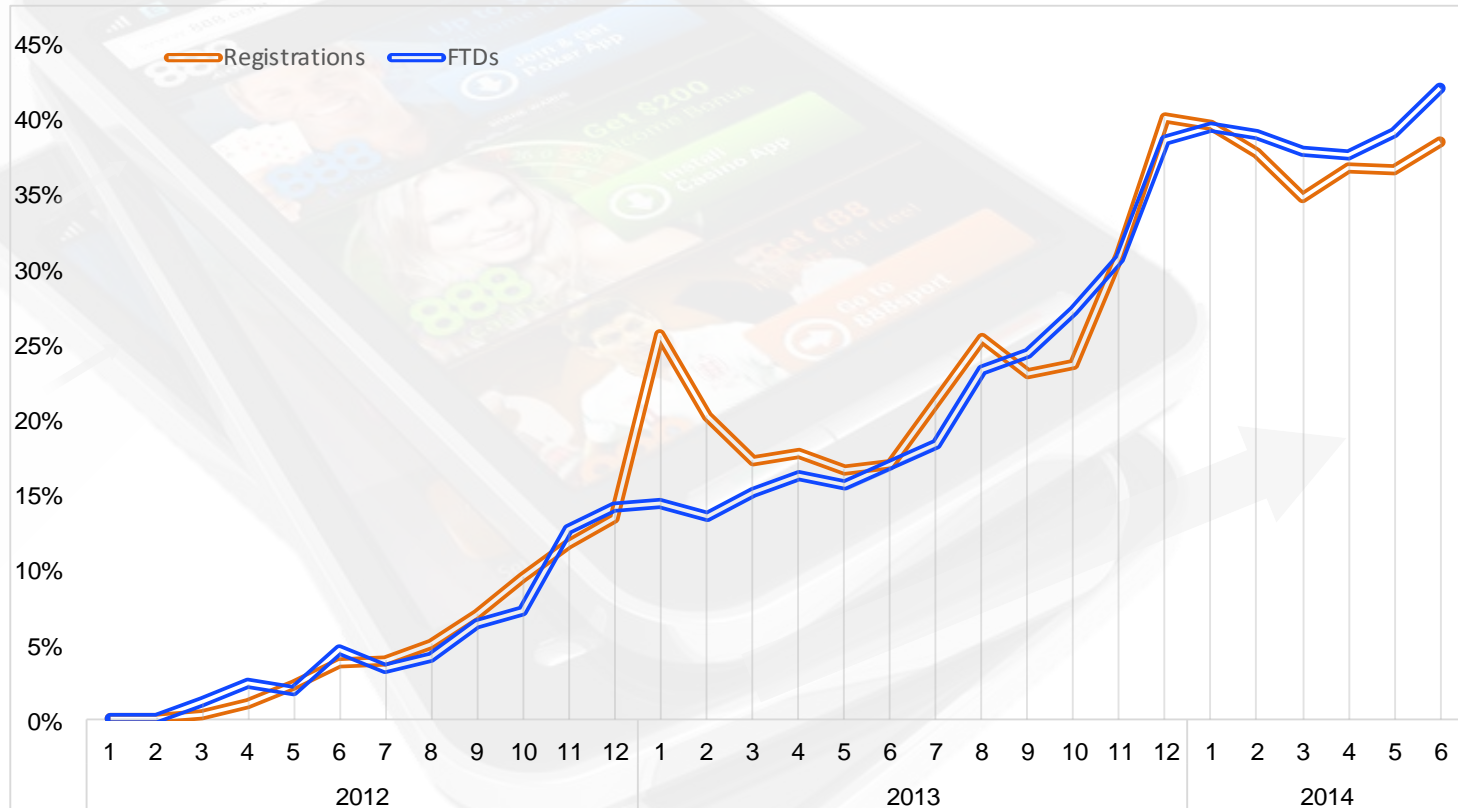
Mobile Deposit Share in UK



*B2C Casino, Poker, Bingo, Sport

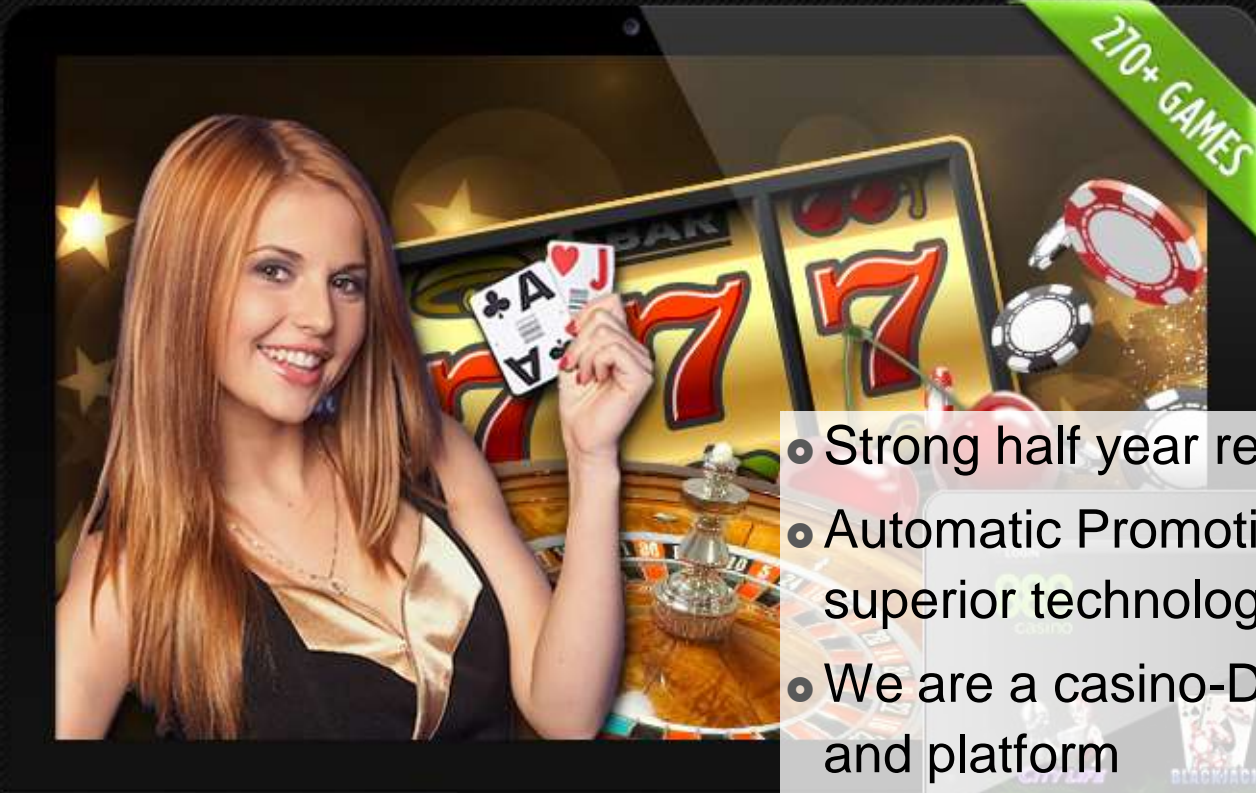
MOBILE CUSTOMER RECRUITMENT IN UK

Mobile Registrations / FTD's Share in UK

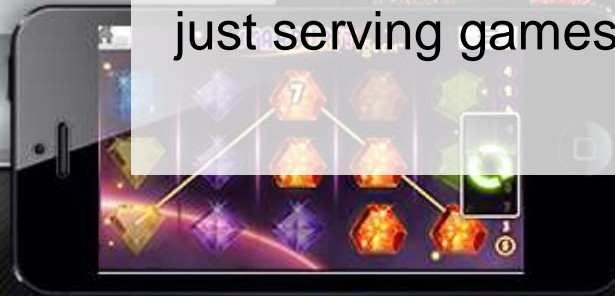


*B2C Casino, Poker, Bingo, Sport

CASINO



- Strong half year revenue growth
- Automatic Promotions leveraging 888's superior technology and driving LTV
- We are a casino-DNA company and platform
- Unique in the space: we're not just serving games



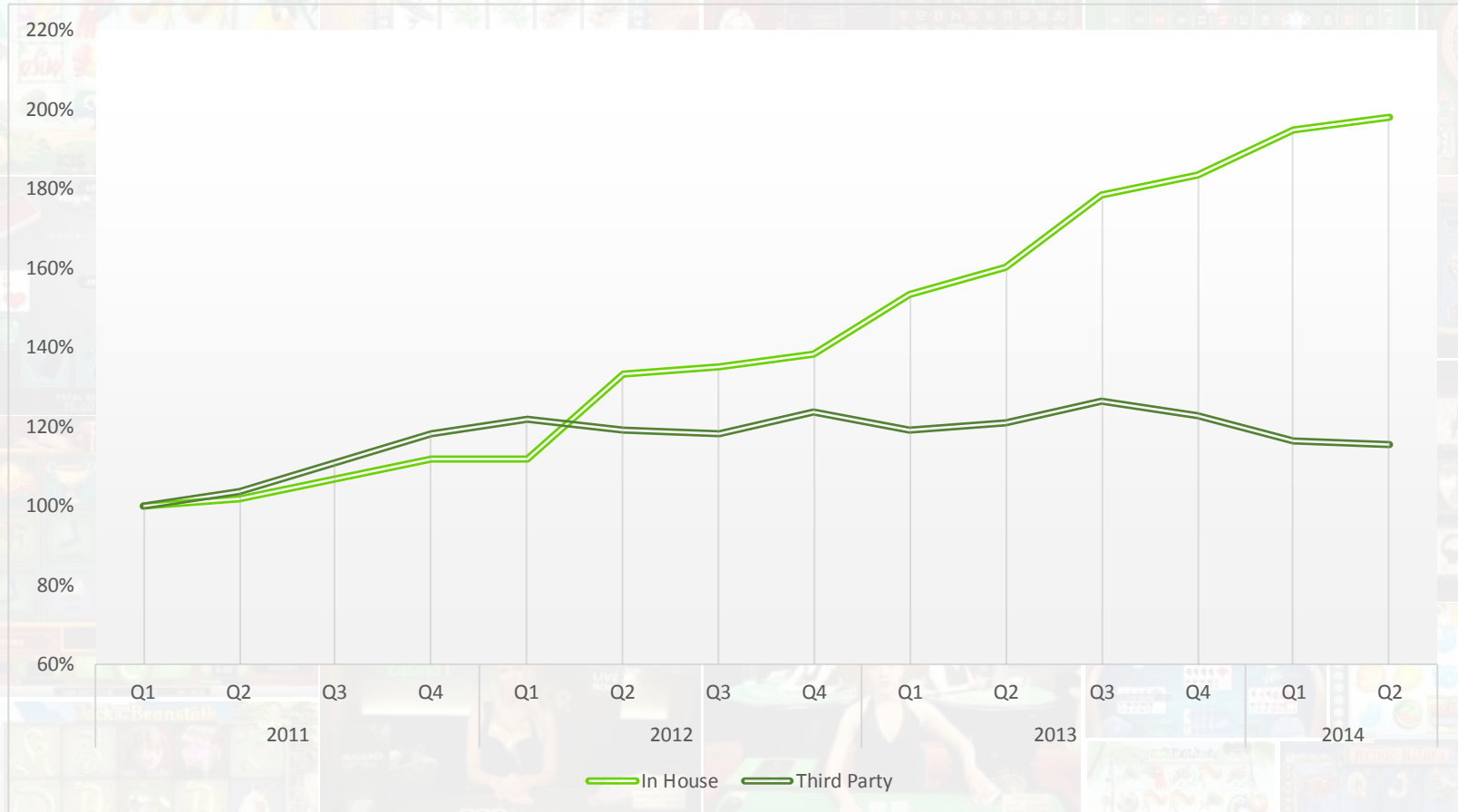
CROSS PLATFORM CONTENT




- Genie jackpot was hit TWICE in H1
- \$4 million paid - good acquisition and retention streak
- Casino is embedded into every vertical (in Poker, Sport, Bingo) and business process

CASINO

IN HOUSE VS. THIRD PARTY GAMES PLAYED



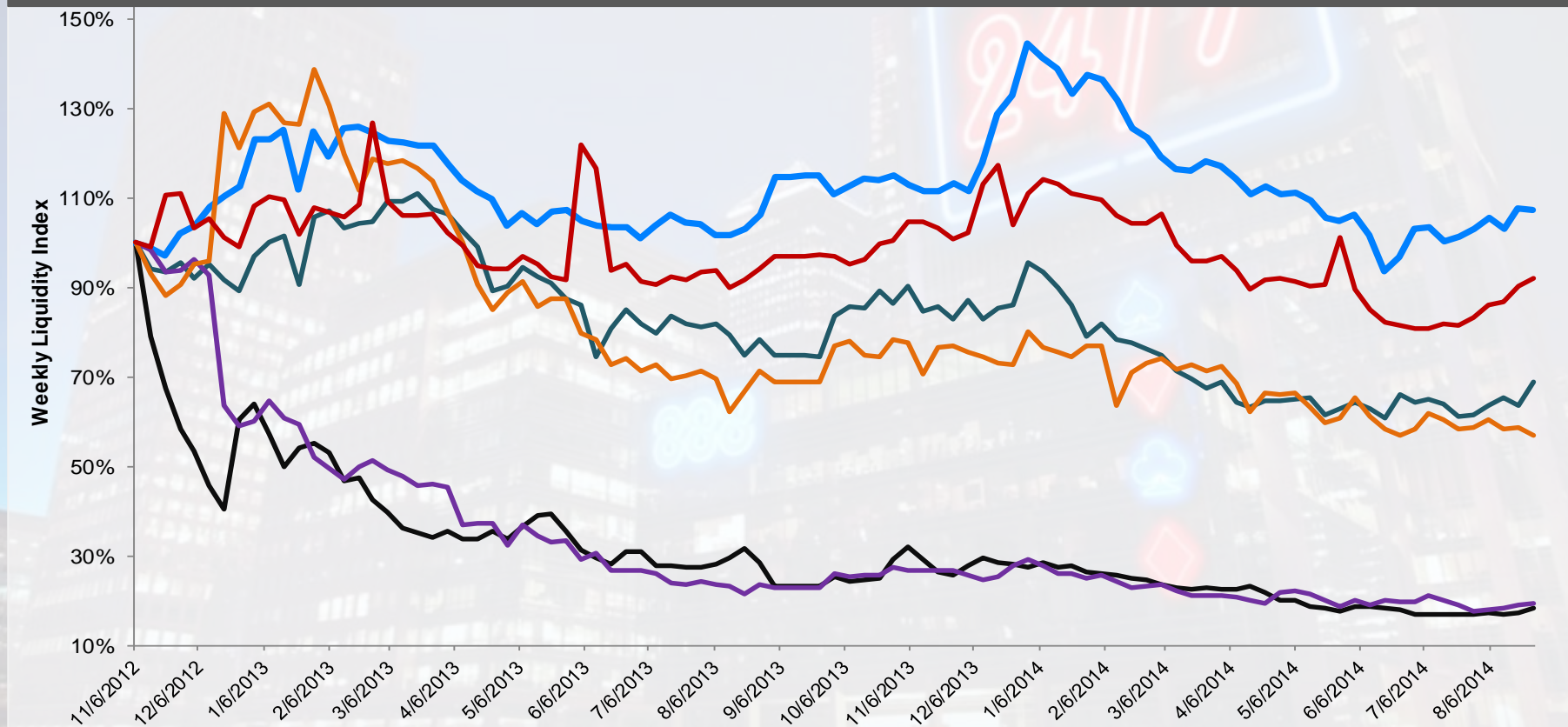
GLOBAL POKER

- 
- Bucking industry trends in a challenging market
 - Continued relentless execution of stated poker strategy, focusing on recreational players
 - The 888 platform and technology are showing their resilience

POKER

- Maintaining number 2 position in the global poker rankings*
- Poker liquidity impacted by June / July 2014 FIFA World Cup

POKER LIQUIDITY TREND CHANGE SINCE JUNE 2012



Source: Pokerscout, Jul 2014

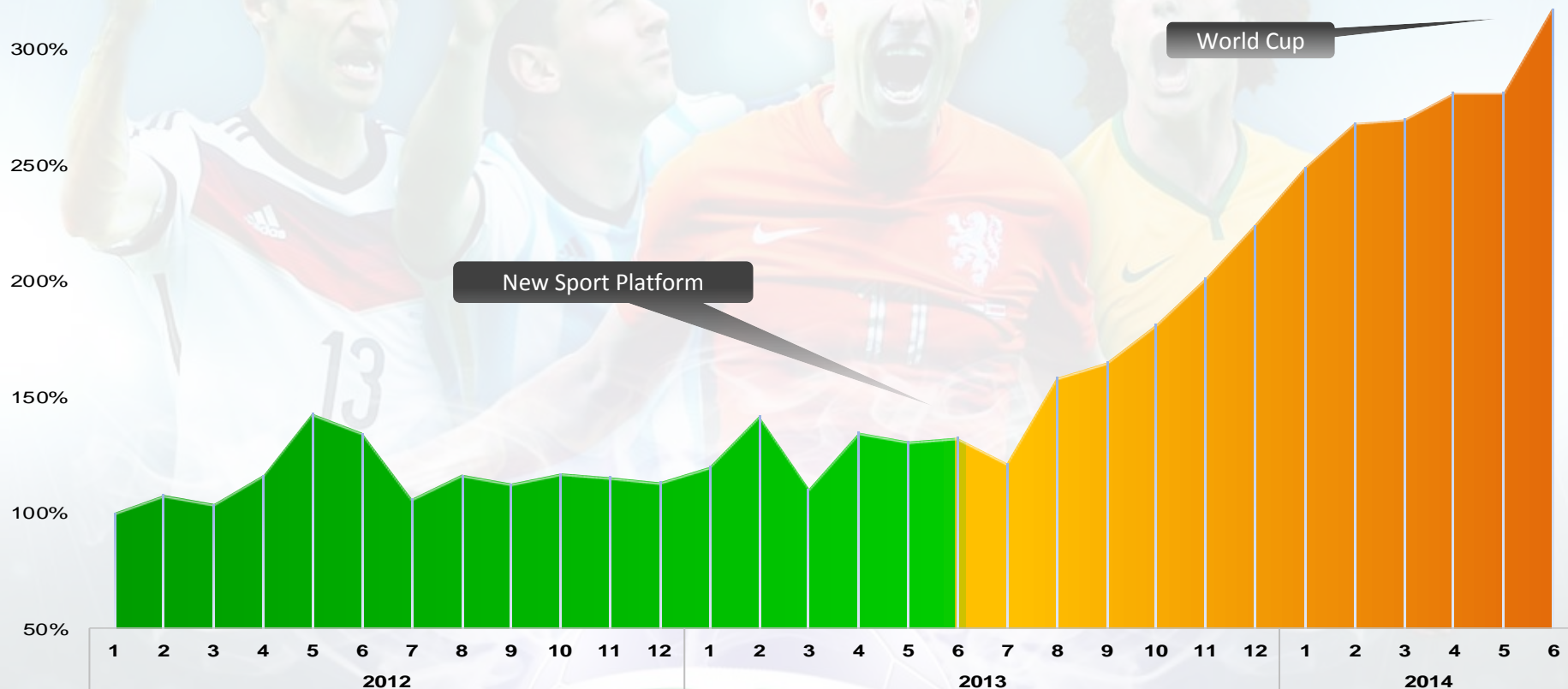
— Operator1 — Operator2 — 888poker — Operator3 — Operator4 — Operator5

SPORT



SPORT

SPORT BETS



Average daily Bets

BRAZIL

SPORT IN SPAIN



Sport Casino Poker Móvil

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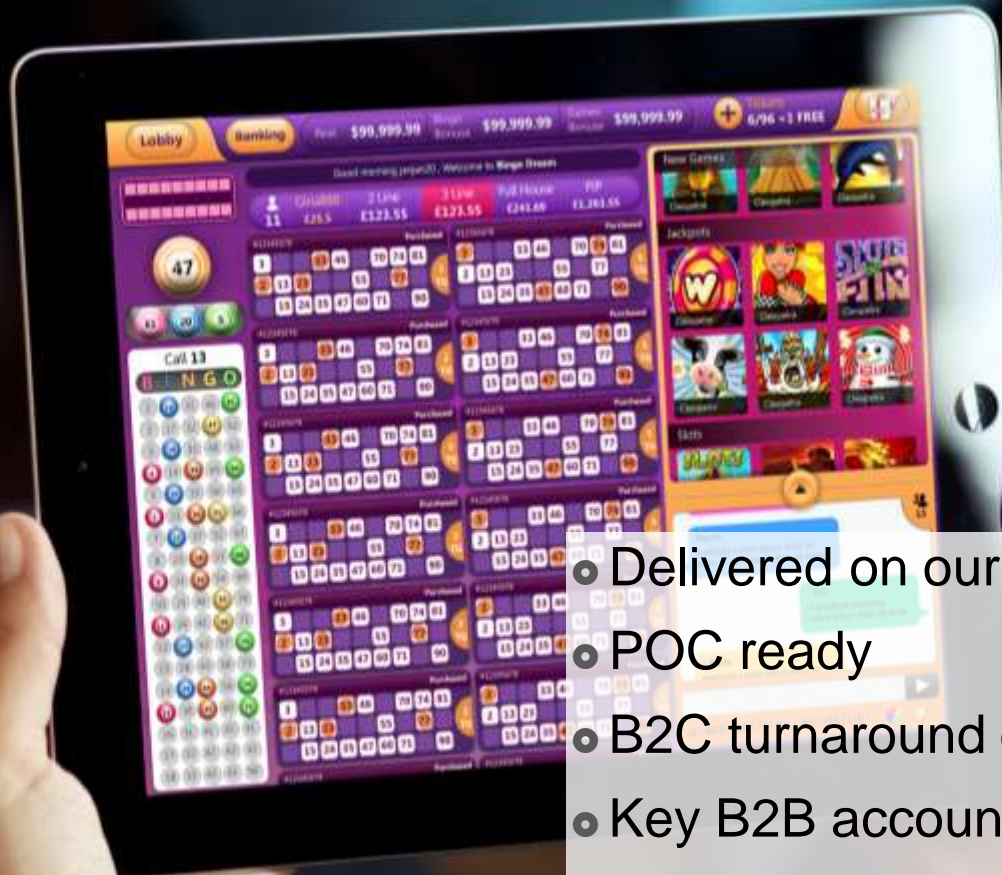


Poker

Únete a la acción más trepidante en las mesas de 888poker.es y disfruta de la experiencia más interactiva del poker con la exclusiva funcionalidad de nuestra Pokercam con la que podrás ver la cara a tus rivales a través de tu webcam o lanzando tomates y otros objetos virtuales al resto de jugadores de tu mesa. Participa en las mesas de dinero real y no te pierdas los torneos semanales con miles de Euros en premios garantizados para los mejores clasificados.



BINGO



- Delivered on our plans
- POC ready
- B2C turnaround completed
- Key B2B accounts retained
- Mobile driven growth

BINGO

- Turnaround continues
- Regular seasonal behavior in activity, yet with growing volumes – better CRM

Bingo platform volume



Overall Bingo platform volume

POINT OF CONSUMPTION



- POC ready by end of September
- 888 regulation knowhow in action
- Approaching it with momentum

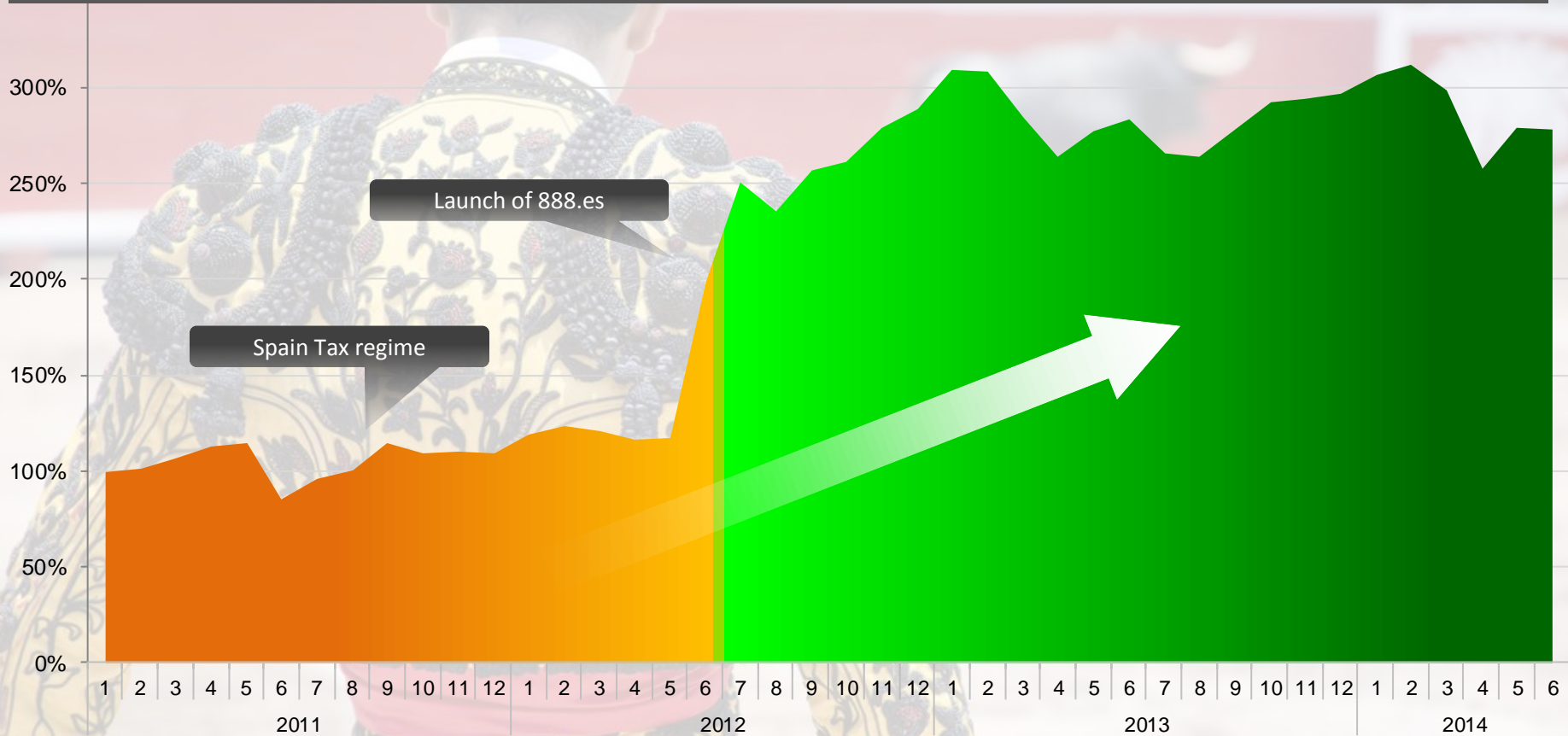
EU – REGULATED MARKETS



- Steady market share in Spain
- 888Sport.es launched on August 15th
- New mobile and slots anticipated to drive growth
- 888.it single product, mobile launched
- NetEnt games deployed

888.es POKER GROSS GAMING REVENUE

888 Spain Poker GGR Growth



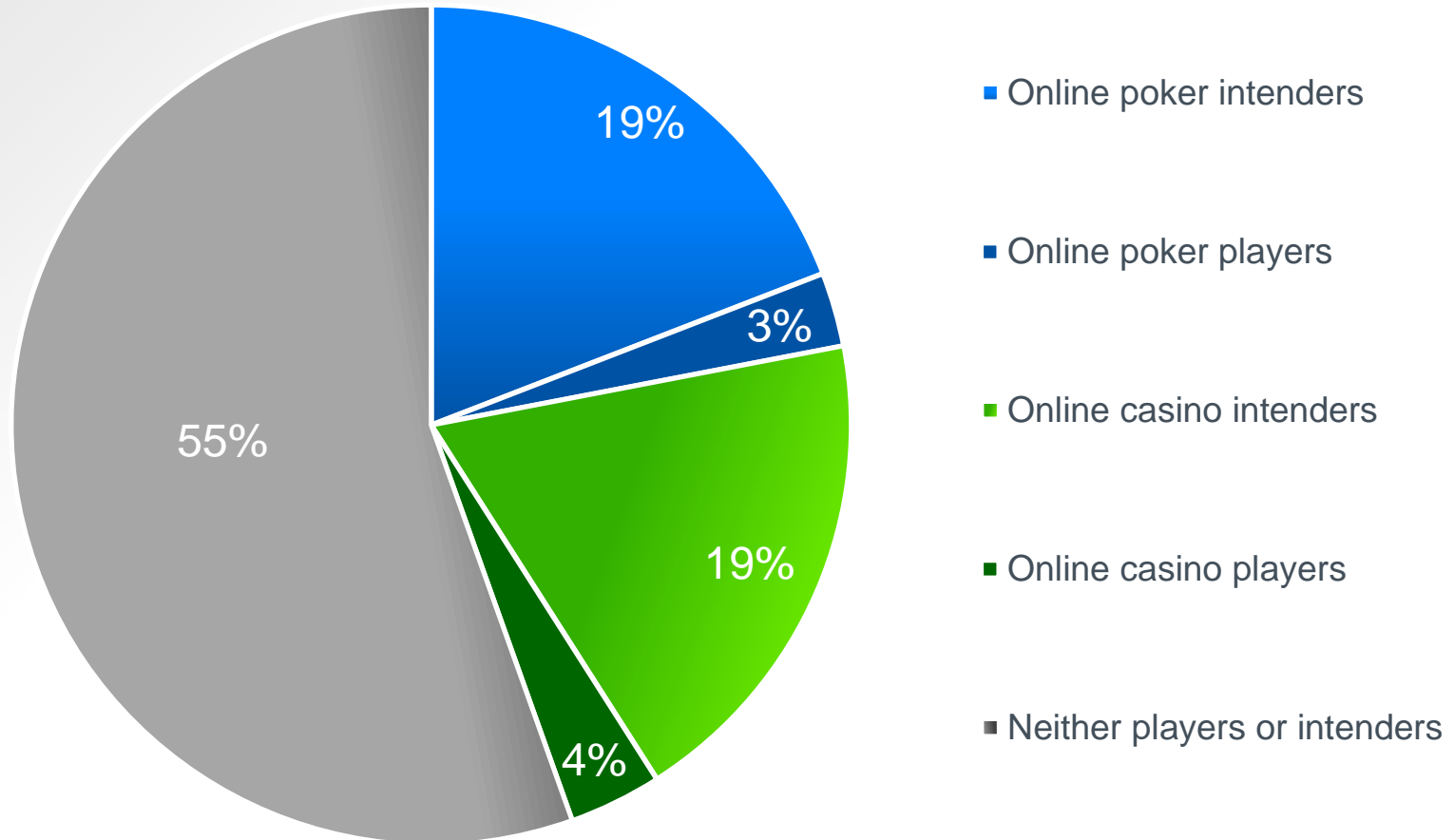
THE US MARKET - OUR COMPETITIVE EDGE



* Soon to be launched.

UNTAPPED NJ MARKET

PLAYERS AND INTENDERS



Source: Harris Interactive poll, May 2014

OPERATIONAL SUMMARY

- Core business is growing
- We continue to deliver
- We remain focused on our business goals
- Industry expert professionals
- Focused strategy continues to deliver



BRIAN MATTINGLEY, CEO | SUMMARY

SUMMARY

- Excellent half year results driven by growth across core products
- We have delivered on our plans
- Solid core markets with real growth potential
- Expanding European regulation
- Growth prospects in US
- Resilient and cash generative business, quality of earnings
- Experienced management team
- Confident with full year expectations
- Board changes - continuity of management
- Thank you to our retiring Chairman



Q&A