Results for the Year ended 31 December 2009

23 March 2010
## Agenda

<table>
<thead>
<tr>
<th>Gigi Levy</th>
<th>Introduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aviad Kobrine</td>
<td>Financial Review</td>
</tr>
<tr>
<td>Gigi Levy</td>
<td>Operating Review</td>
</tr>
<tr>
<td></td>
<td>Regulation</td>
</tr>
<tr>
<td>Gigi Levy &amp; Aviad Kobrine</td>
<td>Summary and Q&amp;A</td>
</tr>
</tbody>
</table>

2
Highlights†

- Total Operating Income $247m down 6%
- Total Operating Income B2C $195m down 13%
- Total Operating Income B2B $51m up 33%
- Total Operating Income B2C Emerging Offering $25m up 82%
- EBITDA\(^1,2\) $46m down 18%
- PBT\(^1\) $35m down 29%
- Final Dividend of 3.0¢ Total Dividend 2009: 6.6¢
- Cash at year end $88m

\(^1\) Excluding share benefit charges  \(^2\) Excluding Forex impact.

† All figures in this presentation are extracted from 888’s financial statements as published where available. Totals may not sum due to rounding.
# Profit and loss

<table>
<thead>
<tr>
<th>$m</th>
<th>2009</th>
<th>2008</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Gaming Revenue</strong></td>
<td>246.7</td>
<td>256.9</td>
<td>(4%)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>-</td>
<td>5.7</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td>246.7</td>
<td>262.6</td>
<td>(6%)</td>
</tr>
<tr>
<td>Operating expenses&lt;sup&gt;1&lt;/sup&gt;</td>
<td>89.9</td>
<td>77.3</td>
<td></td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>24.2</td>
<td>27.4</td>
<td></td>
</tr>
<tr>
<td>Selling and marketing expenses</td>
<td>67.3</td>
<td>80.2</td>
<td></td>
</tr>
<tr>
<td>Administrative expenses&lt;sup&gt;2&lt;/sup&gt;</td>
<td>19.8</td>
<td>22.0</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA&lt;sup&gt;1,2&lt;/sup&gt;</strong></td>
<td>45.6</td>
<td>55.7</td>
<td>(18%)</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>(8.5)</td>
<td>(7.3)</td>
<td></td>
</tr>
<tr>
<td>Interest, F/X</td>
<td>(2.5)</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before tax&lt;sup&gt;3&lt;/sup&gt;</strong></td>
<td>34.6</td>
<td>48.6</td>
<td>(29%)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(2.7)</td>
<td>(3.1)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit after tax&lt;sup&gt;3&lt;/sup&gt;</strong></td>
<td>31.8</td>
<td>45.6</td>
<td></td>
</tr>
<tr>
<td><strong>Basic earnings per share&lt;sup&gt;3&lt;/sup&gt;</strong></td>
<td>9.2¢</td>
<td>13.4¢</td>
<td>(31%)</td>
</tr>
</tbody>
</table>

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<sup>1</sup> Excluding depreciation & amortisation  
<sup>2</sup> Excluding share benefit charges, exchange loss  
<sup>3</sup> Excluding share benefit charges

Final Dividend 3.0¢, Total Dividend 6.6¢
Total Operating Income

- 2009 - Total Operating Income $247m (2008: $263m), down 6%
Total Operating Income

- FX fluctuation negatively affected Y2009 TOI

**Total Operating Income 2003 – 2009**

- Estimated revenue loss due to FX rates change
- FX rates of Jan08 applied
- Assuming no change in player’s behaviour
Total Operating Income

- H2 09 - Total Operating Income up 9% to $129m compared to H1
Total Operating Income

- Strong Q4 09 TOI to $68m up 14% on Q4 08 and up 12% on Q3 09
**Geographic segmentation TOI**

- Europe (ex UK) and UK down **7%**, Americas down **27%**, ROW up **36%**
- Stable geographical mix

* New segmental allocation method in P2P games – Rake driven
Total Operating Income B2C

- Strong H2 09 - 9% increase compared to H1


<table>
<thead>
<tr>
<th>Quarter</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 07</td>
<td>95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2 07</td>
<td>107</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 08</td>
<td>118</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2 08</td>
<td>106</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 09</td>
<td>94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2 09</td>
<td>102</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Total Operating Income B2B

- H2 09 Total Operating Income up **25%** to $27m (H2 2008: $22m)
TOI B2C by Product

- Emerging Offering up 82%, Casino down 13%, Poker down 30%
- Emerging Offering growth is driven by Live Dealer and 888Sport

Total Operating Income B2C 2008 and 2009

- Casino: 137 '08, 119 '09
- Poker: 52 '08, 74 '09
- Emerging: 25 '09, 14 '08

$m
TOI Emerging offering B2C

- H2 09 TOI Emerging offering up 48% to $14m (H2 2008: $9m)
Average Net Deposit Casino & Poker B2C

- Strong correlation between Avg. Net Deposit and FX rates
Casino Revenue* mix B2C

- Stable Casino game mix – slight expansion of Slots v. Roulette

* Revenue mix is based on Casino House Profit = Bets-Wins
Revenue* retention Casino B2C

- January 2009 actives still contribute **61%** of revenue after 12 month
- Improved casino revenue retention in 2009 **61%** (2008 34%)

* Based on revenue from active customers in January 2008 and 2009 in Casino on Net
Revenue defined as Deposits less withdrawals
Revenue* retention Poker B2C

- January 2009 actives still contribute **38%** of revenue after 12 months
- Improved revenue retention in 2009 **38%** (2008 28%)

*Based on revenue from active customers in January 2008 and 2009 in Pacific Poker
Rake includes tournament fees
Revenue* mix by seniority Casino B2C

- 1997-2005 actives generate more than **20%** of revenue in Q4 2009

* Revenue defined as Deposits less withdrawals in Casino on Net
Revenue* mix by seniority Poker B2C

* Revenue defined as Rake+ tournament fees in Pacific Poker
Costs Structure

- Costs slightly up to 82% from Total operating income (2008: 79%)

Costs as % of Total Operating Income 2008 and 2009

* Excluding share benefit charges depreciation amortisation and Forex;
EBITDA and EBITDA margin

- EBITDA* $46m
- EBITDA* margin 18%

* Excluding share benefit charges
Chargebacks & PSP fees - Group

- PSP & CB at **9.2%** from TOI (2008: 7.6%)
- Chargebacks in Q1 to date return to normal levels
Players acquisition B2C Casino & Poker

- 2009 B2C Casino and Poker FTDs **206,000**
- 2009 B2C Casino and Poker CPA at **$177***

* CPA - excluding revshare
Customer Bonuses B2C Casino and Poker

- Keeping customer bonus efficiency optimised

**Customer bonuses* as % of TOI**

*Bonus excluding converted loyalty points*
Strong Real Money Registrations Growth

- Registrations increased by **24%** reaching **7.1** million at Q4 2009
- Quarterly CAGR of **9%** between Q1 2002 to Q4 2009.
## Balance Sheet as at 31 December 2009

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>70.8</td>
<td>44.8</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>21.0</td>
<td>19.7</td>
</tr>
<tr>
<td>Financial assets &amp; Deferred tax</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>92.6</strong></td>
<td><strong>65.4</strong></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>87.5</td>
<td>98.4</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>21.2</td>
<td>18.7</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>201.3</strong></td>
<td><strong>182.5</strong></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>3.2</td>
<td>3.1</td>
</tr>
<tr>
<td>Retained earnings and reserves</td>
<td>117.9</td>
<td>108.2</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>121.1</strong></td>
<td><strong>111.4</strong></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>38.9</td>
<td>37.9</td>
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<tr>
<td>Customer deposits</td>
<td>37.6</td>
<td>33.3</td>
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<tr>
<td><strong>Long term liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred acquisition liability</td>
<td>3.8</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>201.3</strong></td>
<td><strong>182.5</strong></td>
</tr>
</tbody>
</table>

*Rounded*
## Cash Flow

### $m Year to 31 December

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>27.6</td>
<td>40.2</td>
</tr>
<tr>
<td>Share benefit charges</td>
<td>7.0</td>
<td>8.4</td>
</tr>
<tr>
<td><strong>Profit before tax and Share benefit charges</strong></td>
<td><strong>34.6</strong></td>
<td><strong>48.6</strong></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>8.5</td>
<td>7.4</td>
</tr>
<tr>
<td>Interest received</td>
<td>(0.6)</td>
<td>(3.3)</td>
</tr>
<tr>
<td><strong>Change in current assets and liabilities</strong></td>
<td>3.1</td>
<td>8.0</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td><strong>45.6</strong></td>
<td><strong>60.8</strong></td>
</tr>
<tr>
<td>Tax paid</td>
<td>(4.1)</td>
<td>(4.4)</td>
</tr>
<tr>
<td><strong>Net cash used in Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(30.0)</td>
<td>(36.7)</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(22.4)</td>
<td>(25.6)</td>
</tr>
<tr>
<td><strong>Net decrease in cash and cash equivalents</strong></td>
<td>(10.9)</td>
<td>(5.9)</td>
</tr>
<tr>
<td>Cash and cash equivalents - beginning of year</td>
<td>98.4</td>
<td>104.3</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - end of period</strong></td>
<td><strong>87.5</strong></td>
<td><strong>98.4</strong></td>
</tr>
</tbody>
</table>

* Rounded
Operational Review
2009 - Overview

Highlights:
- Creation of Dragonfish
- Acquisition of Wink bingo
- New brand architecture
- Live casino launched
- Linden Lab deal
- Dragonfish deals
Casino & Games 2009

- Full Multi Currency
- Games Tab Launch
- Live Dealer Launch
- “Recession busting “ promotions
- New Games in Casino and Games Tab
- Casino No-DL Upgrade:
  More Games, Infra upgrade
- 3D Scratch Cards Arena
- Live Casino
- Reef Club Casino
- £8,888,888
Poker 2009

- Many new features launched:
  - Money Transfer
  - Multi Lingual Client
  - Time Bank
  - Over 50 new features and many small bug corrections
- Poker Ashes
- Lords of Poker
- Leo Margets – Last Woman Standing
- New Loyalty Club
- Quick-Seat Lobby
- Major infrastructure improvements – significantly less disconnections and crashes
Bingo 2009

- 888 Ladies
  - 1st birthday
  - Regular calendar events
  - Social media
- Launch of 5 new jackpot games in Bingo
- New payment methods
- Licensees API and room management tools for better self-management by licensees
- Over 10 New Bingo Networks
- Further games integration infrastructure
Wink Bingo acquisition

- Three online bingo networks including Wink Bingo, Posh Bingo and Tasty Bingo as well as three skins including Fabulous bingo
- Network is operated on the Dragonfish bingo infrastructure
- Over 60,000 active players (as of October 2009)
- Revenue of £15 million and profit before tax of £1.3 million (11 months to 30 Nov 09)
- Base price £11m plus earn-out
- Strong performance year to date
Sport 2009

- Innovative promotions
- New automated Promotional Video tool
- Better trading and markets
- New Betting in Running application
- More games integration
General infrastructure updates

- B2B readiness
- CMS implementation across B2B and B2C:
  - Enabled B2C rebranding
  - Support quicker changes
- New Registration tools
- TRUSTe seal of approval
- 12 new payment methods
2010 product plans

- General:
  - Better B2B readiness
  - Regulated markets additional support
  - UI Uplift across the various offerings
  - Focus on user experience

- Innovative products:
  - 3D Casino
  - Poker 6 with some unique features
  - Pachinko
  - I-card and Bet and Watch

- Many new Games in Casino, Bingo and Games Tab:
  - Some home grown
  - Additional integration partners
  - More focus on branded content
2010 plans
Our main goals in 2010

- Take our B2C business to a growth trend
- Be prepared for the future changes in our industry and in the evolving online world
How will we achieve it?

A brand strategy that is on the one hand creating a clear and defined offering for the different lines of product

but

On the other hand is creating the strong connection of the different lines of product under one powerful mother brand
888 Sub Brand Architecture
2010 Strategy

Growing market share by delivering segmented products & brands to new customer segments:

- 888casino – leading flagship brand
- Multi brand – Tactical brands to leverage our marketing channel and database (retention/reactivation)
- 888Games – lighter soft gamblers
- Live Dealer – high rollers
3 cornerstones of our strategy

Increase customer loyalty and engagement

Expanding our customer reach

Regulated markets
The future of 888poker
Shane Warne
Face of 888 Sport
Today's race cards

FFOS LAS
2.20 Barry Walters Catering Novices' Hurdle CH4 2m
2.50 Tramshark Stationary Stereo Handicap Hurdle CH5 2m 6f
3.25 Absolute Harper's Handicap Chase CH4 2m
4.00 Din Xixi Hurdle Novices' Chase 00 0m
4.35 Best Western Hotel Handicap Hurdle CH3 2m 4f
5.10 Hill Plant Hire Handicap Chase CH5 3m
5.40 Uck Standard Open NH Flat Race CH3 2m

Today's meetings

3.05 Stratford (Turf) 2m 7f Good. 8 March 2010

3.05 Stratford (Turf) 2m 7f Good. 8 March 2010

Course Information

Racecard

<table>
<thead>
<tr>
<th>No.</th>
<th>Colours</th>
<th>Horse</th>
<th>Latest</th>
<th>Wgt</th>
<th>Jockey/Trainer</th>
<th>Predictor</th>
<th>OR</th>
<th>Place</th>
<th>Going</th>
<th>Jockey/Trainer</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>119-559</td>
<td>Rate Of Knots</td>
<td>102</td>
<td>11 12</td>
<td>P. M. Cohen</td>
<td>121</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td>411214</td>
<td>Romping Home</td>
<td>104</td>
<td>11 16</td>
<td>J. O'Neil</td>
<td>115</td>
<td></td>
<td></td>
<td>2nd</td>
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<tr>
<td>3</td>
<td>94148P</td>
<td>Daraz Rose</td>
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<td>10 13</td>
<td>P. F. Hayton</td>
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<td></td>
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<tr>
<td>4</td>
<td>43-4248</td>
<td>Dart Hot</td>
<td>102</td>
<td>10 09</td>
<td>F. J. O'Brien</td>
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<td></td>
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<td></td>
<td></td>
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<td>5</td>
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<td>Delays Expected</td>
<td>111</td>
<td>10 05</td>
<td>C. H. C.</td>
<td>109</td>
<td></td>
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</tr>
</tbody>
</table>
| 6   | 9457-45 | Marigolds Way | 111 | 10 05 | M. P. 
F. J. 
| 7   | 599-055 | Your Night Out | 111 | 10 05 | M. P. 
F. J. 

Head to Head

- Dart Hot, Marigolds Way, Rate Of Knots and Romping Home have raced against each other before. Details →
2010 Plans
High level Strategy

Increasing market-share to become a leading global bingo operator through:

1. Penetrating new territories
2. Strengthening our footprint in the UK market
   - The acquisition of Wink
   - Strengthening 888ladies’ positioning in the market
   - Innovation in marketing:
     - Acquisition through social networks
     - Live Bingo
   - Multi-brand approach –888bingo, Tasty bingo, Posh and more.
888ladies - positioning

Everybody wants to be an 888Lady!

- Re-launch of the original concept using Vic Reeves all the way
- Strong tag line
- Unique proposition – we ARE 888ladies and we are FOR ladies
Future focus

- Regulated markets
- Social networks
  - Applications
  - Communities
- Online marketing
Dragonfish:

2009 operational highlights, 2010 focus
2008 to 2009


- 8 licensees, 9 bingo networks, handful of casino and poker clients
- UK and Latin America only
- Delivery cycle of 3-6 months
- Mostly managed software and customer care deals

Dragonfish, 2009

- 20 licensees, 17 bingo networks, dozens of casino and poker clients, and one e-Payments customer
- Spanning UK, Continental Europe, Balkans, Latin America,
- 45-day cycle from signing to launch
- Every partner account has a Client Executive
- End to end services, including marketing services
The year that was: April 2009

- Brand Launch
- Website
- Advertising campaign
  - Total Gaming Services
- Sales materials
  - PPT
  - RFP
- Multi-lingual e-Books
2009: OPERATIONS AND TECHNOLOGY
New Content Management System (CMS)

- Enabled management of hundreds of web assets per Dragonfish partner (in various languages: Polish, Greek, Spanish, Portuguese, Italian, French, English)
- Supported marketing services
  - Social media marketing for buzz
  - Landing pages for paid search

Multitude of landing pages
2009 partners, group 1: Land-based gaming companies

[Image showing logos of various gaming companies such as Littlewoods, Full Service, Caesars, and Dragonfish.]
2009 partners, group 2: Online marketers, portals and media companies
2009: PLAYER ACQUISITION AS A SERVICE TO PARTNERS
Player acquisition for partners

- Offline marketing
- Paid search marketing on behalf of partners
- Organic search marketing on behalf of partners
- Management of marketing affiliates on behalf of partners
  - Dedicated affiliate managers work on closing contracts for the brands we promote
  - Sales and BD (email/phone/travel)
  - Push the Dragonfish partners' presence in affiliate conventions
  - Ongoing audits and optimization
  - Managing special promotions (freerolls, rake races)
  - Dealing with payments and reporting on behalf of partner
2009: SALES AND BUSINESS DEVELOPMENT
Proactive engagements typically have 3 lengths:

- 18-24 months - undecided new entrant to online gaming (i.e. Lottery),
- 6-8 months - typical deal with large online gaming or media company,
- 3-4 months - “churn business”, smaller deals or non-complex deals.
Account engagements in 3 different ways
  ▶ Engagement Accounts (closed, imminent closing opportunity)
  ▶ Development Accounts (phase before imminent closing opportunity)
  ▶ Investment Accounts (significant opportunity in general, large profits 2011)

Commercial Directors can cover ~30 accounts across continuum
  ▶ Assume churn of 10 year in/out, and fluid phases

Allocation of time and effort
  ▶ Engagement Accounts; 65% time allocation; 3-5 accounts
  ▶ Development Accounts; 25% time allocation; 7-10 accounts
  ▶ Investment Accounts; 10% time allocation; 10-15 accounts
2010: FOCUS
Launch 2010

- Games & Technology campaign (first of four campaigns)
  - Breadth of games
  - Customer insight

- Media consumption
  - Outdoor / giant screen
  - Key trades / show guides
  - DF stand
  - Gaming intelligence.com
2010 trends

► Prospects:
  ► Financial services
  ► US Casino (RFP)
  ► UK Bookmaker Casino (RFP)
  ► US Casino (RFP)
  ► Lottery
  ► Spanish / Latam Casino group
  ► UK Sportsbook
  ► Italy: Online Gaming, Media, Offline Gaming
  ► France: Offline Casino, Media
  ► Belgium: Offline Casino
  ► China and Russia leads

► Products:
  ► Flexible Gaming Solutions for regulated markets
  ► Facebook Bingo: offer innovative product to giants we still do not service
  ► Bingo Internationally
ePayments

ePayment optimisation

Dragonfish's unparalleled ePayment expertise drives your ability to achieve key strategic and commercial objectives. Our proprietary ePayment optimisation platform, combined with cutting-edge back-office functionality and an advanced cashier interface facilitates highly secure, tailor-made solutions, helping you to rapidly enter new markets and grow your customer base.

Dragonfish processes over 9500M in deposits per year in a multitude of currencies and languages. From credit cards, e-wallets, prepaid cards, online banking and bank transfers to cash payments at physical locations, we make it easy, convenient and secure for your customers to pay.

Sophisticated ePayment systems to help your business enter multiple markets
Regulation

- Europe
- US
- Rest of the World
Summary and Q&A
Summary

- 2009 one of the toughest consumer years ever but ...
- ... continued our commitment to invest in the business for the future
- Created a real B2B business – presents significant opportunities for growth
- Maintained a leading B2C operation
- Financially and operationally strong platform to grow the business
Thank You