

28 May 2010

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

### Trading Update

888 issues the following trading update.

Since the Interim Management Statement issued on 28 April 2010, 888 has continued to experience a difficult trading environment across its products (with the exception of bingo and its recent acquisition Wink Bingo).

Trading is being impacted particularly by the continued weakness of online poker, which management believes is affecting the online poker industry generally. 888's poker daily average ring games' players declined approximately 18% during the period from January to May and management believes that this decline reflects industry-wide trends.

Revenue has also been impacted by the weakness of the Euro and Sterling against the US Dollar (the company's reporting currency). In particular, management estimate that May revenue would have been approximately US\$1.9 million higher had exchange rates remained at their January average levels. For the year to date, management estimate that 888 has experienced a total revenue loss of approximately US\$5 million as a result of foreign exchange movements.

Following 888's application on 21 May 2010 to obtain a licence to operate in the newly regulated French market, it is expected that trading could be further adversely impacted by the mandatory transition of business onto the regulated platform. This transition will require significant marketing investment, which in turn will have a short to medium term financial impact on the business.

After assessing the effect of the above and the expectation that online gaming trading during the period of the FIFA World Cup will be difficult, the Board has revised its outlook for the remainder of the year and now expects profit to be significantly lower than previous market expectations.

Although it is trading in difficult conditions, the Group continues to trade profitably, is cash flow positive and its financial position remains strong.

A number of steps, including cost cutting, have already been implemented and the Board remains confident about the future strategy and prospects of the Group. The underlying fundamental strengths of a regulated, legitimate and safe online gaming entertainment environment remain, and with this comes opportunity. 888 remains committed to further acquisitions as part of the ongoing industry consolidation.

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