



THE WORLD'S NO.1 ONLINE CASINO AND POKER ROOM

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888 is one of the world's most popular online gaming entertainment companies. Established in 1997 by pioneers of the online gaming industry, 888 has developed a strong brand, scale and customer trust.

888 aims to achieve profitable growth through the acquisition and retention of valuable customers by providing its customers a differentiated, intentional customer experience.

888.com is our umbrella brand. We operate brands across a range of online gaming websites, such as 888.com, Casino-on-Net.com, PacificPoker.com and ReefClubCasino.com. 888 will continue to develop its product offering, enrich the customer experience and expand into more geographic markets.

Casino-on-Net is available in 11 languages and Pacific Poker has expanded to 7, as a result 888 enjoys a diversified geographical balance with 48% of Net Gaming Revenue in H1 2006 arising from outside the US.

The business is based on 888's fully integrated proprietary operating software infrastructure backed up by impressive customer relationship management and diversified payment processing systems.

888 benefits from industry leading multi-channel customer acquisition capabilities and provides customers with a trustworthy and fair gaming environment.

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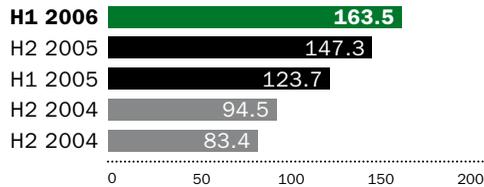
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Highlights

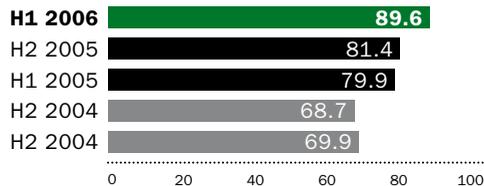
- Net Gaming Revenue for the first half of the year rose to **US\$164 million**, an increase of **32%** above the first half of 2005
- Net Gaming Revenue from Casino for the first half of the year rose to **US\$90 million**, an increase of **12%** above the first half of 2005
- Net Gaming Revenue from Poker for the first half of the year rose to **US\$74 million**, an increase of **68%** above the first half of 2005
- Profit before tax* for the first half of the year rose to **US\$48 million**, an increase of **88%** above the first half of 2005
- Adjusted EPS* for the first half of the year rose to **13.8¢**, an increase of **89%** above the first half of 2005
- Net cash generated from operating activities rose to **US\$56 million**, an increase of **109%** above the first half of 2005
- Interim dividend of **4.5¢** per share
- Special dividend of **4.0¢** per share

Financial Highlights

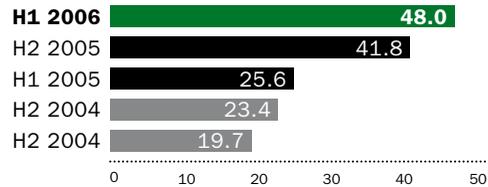
NET GAMING REVENUE (US\$million)



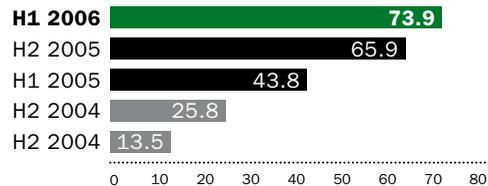
NET GAMING REVENUE: CASINO (US\$million)



PROFIT BEFORE TAX* (US\$million)

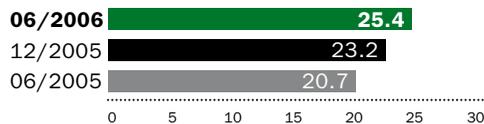


NET GAMING REVENUE: POKER (US\$million)

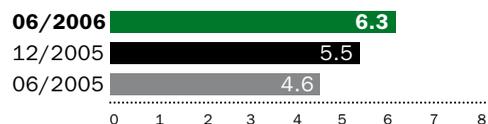


Operational Highlights

REGISTERED MEMBER ACCOUNTS AT PERIOD END (million)



REAL MONEY REGISTERED MEMBER ACCOUNTS (million)



*Excluding share benefit charges

Chief Executive's Review

I AM PLEASED TO REPORT THAT 888'S INTERIM RESULTS AS A PUBLIC COMPANY REPRESENT ANOTHER RECORD PERFORMANCE

Overview

I am pleased to report that 888's interim results represent another record performance of profitable growth. Profit before tax* was \$48.0 million, an increase over half year 2005 of 88%. Net Gaming Revenue ("NGR") was also up substantially at \$163.5 million, an increase of 32%. Importantly our margins are increasing as well as our scale. Pre-tax margins* were 29% (H1 2005: 21%). This is due to increased marketing efficiency and focus on high-value customers. Basic earnings per share* were 13.8 cents.

Net cash generated from operating activities was \$56.1 million, an increase of 109% on 2005.

These are excellent results and in accordance with the policy set out at the time of flotation we will be paying an interim dividend of 4.5 cents per share. In addition, given our excellent results and our record cash generation during 2006, we have decided to pay a special dividend of 4.0 cents per share without compromising our strategic goals.

Since flotation last September 2005 our growth has been spread even more widely across geographic regions. This geographic spread is in line with our strategy of reducing our dependence on income from any one large market,

without sacrificing volumes. NGR from non-US territories in H1 2006 was 48% compared to 45% in H1 2005. We will continue to increase our business in non-US territories as we did successfully in the UK, where our revenues increased by 61%.

Product Casino

Our major Casino brand, Casino on Net, founded in 1997, has consistently been ranked as the leading online Casino brand in the world. We continually innovate our Casino offering and earlier in the year we launched an updated version. This included many new video-slot machines which give a unique playing experience and have proved hugely popular. We are now adding one new slot machine a month to our offering.

NGR for the half year was up 12% at \$89.6 million. 888 focuses on high value customers, gives them the "perfect user experience" and this creates loyalty. As a result we continue to see not only an increase in customers, but also an increase in the NGR per active player.

Poker

Poker volumes have also grown impressively with NGR up 68% to \$73.9 million.

In the first half our Poker offering was released in six new languages and a new Jackpot feature has been introduced. Multi hand was also introduced and today a rising number of our poker customers use this feature.

Continued innovation is key to our customers' experience, and this is what underpins sustainable growth.

Marketing

Much of our success has been due to our marketing skills and our brand power. 888 has become, in a relatively short period of time, a recognised brand in the global gaming market and among the leaders in the online gaming industry itself. In our brand recognition study in the UK, 888 was the third most recognised gaming brand after Ladbrokes and William Hill, making 888 the number one online gaming brand.

Earlier this year we stated that we would use the skills and techniques that proved so successful in the UK to expand in Continental Europe. In pursuit of this we have signed two football shirt sponsorship deals. In France we are sponsoring Toulouse and in Spain with Sevilla, the current UEFA Cup holders and winners of the 2006 Supercup.

*2006 – excluding share benefit charges

These two deals are in addition to our main current sport sponsorships of Middlesbrough FC and the World Snooker Championship. They represent further evidence of 888 delivering on its stated strategy of diversified, multi-channel marketing. This brand leverage will continue and is key to our growth strategy.

Regulation

The Company monitors developments in the legal and regulatory environment for on-line gaming, and their potential impact on its business and continue to take appropriate advice.

In July this year, the House of Representatives in the United States passed the Internet Gambling Prohibition and Enforcement Bill. This Bill is now with the Senate for consideration. We await developments as to the final form, if any, of the Act. An Act, if passed, may have a material adverse impact on 888's business. In the six months to 30 June 2006 52% of the Group's NGR was derived from customers based in the US.

We are closely monitoring the progress of the recent enforcement actions in the US against two directors of UK companies involved in Sportsbetting. 888 has no involvement in Sportsbetting.

Board

As of 31 December 2006, I shall step down as Chief Executive and take the role of Non-executive Director. I am proud to have led 888, since 2000, through its formative years into the success it is today. Over the past six years, 888 has been a pioneer in the online gaming industry. I led the Company through its successful flotation on the London Stock Exchange and since then have delivered two sets of record results in our first year as a listed company.

I am particularly proud of positioning 888 at the forefront of self-regulation. Our industry's rapid growth has often left it ahead of the regulatory framework and during my tenure I have always considered the trust in, and transparency of, 888, to be inextricably linked to the successful growth of the Company.

Given the strong position that the company is now in, I have given much thought to its future direction. Over recent months, I have searched for somebody who I believe can take the company forward to its next level. Gigi Levy is an excellent, experienced individual who is more than capable of taking on this challenge. I have no doubt that 888 will continue to thrive under his leadership. Gigi will formally

take over at the end of the year and we will continue to work closely together on the operational, day-to-day running of the business until such time. On a personal level I am delighted to remain involved with this exciting business as a Non-executive Director.

Outlook

Our results will continue to be driven by our strategy including: investment in Brand; geographic expansion; development of the range and quality of our product offering; varied and efficient payment processes, and focus on high value customers.

Trading during the first 10 weeks of Q3 is in line with management's expectations and overall, whilst regulatory uncertainties continue, we remain confident that we are on track to achieve a satisfactory outcome for the full year.

We continue to assess carefully potential acquisition targets which will enhance our existing offering and help drive our geographic and product spread.



John Anderson
Chief Executive Officer

Consolidated Income Statement

for the period ended 30 June 2006

	Note	Six months ended 30 June 2006 US\$'000 (unaudited)	Six months ended 30 June 2005 US\$'000 (audited)	Year ended 31 December 2005 US\$'000 (audited)
Net Gaming Revenue		163,511	123,744	271,031
Operating expenses		41,817	34,615	72,960
Research and development expenses		9,165	4,642	11,318
Selling and marketing expenses		49,008	51,808	100,009
Administrative expenses	2	21,010	7,265	37,328
Operating Profit before share benefit charges		46,392	25,414	66,650
Charges in respect of shares granted to employees on IPO		-	-	15,087
Charges in respect of share and option awards		3,881	-	2,147
Total share benefit charges		3,881	-	17,234
Operating Profit	3	42,511	25,414	49,416
Finance income		1,622	192	735
Profit before tax		44,133	25,606	50,151
Taxation		1,431	1,119	2,136
Profit after tax for the period attributable to equity holders of parent		42,702	24,487	48,015
Earnings per share	4			
Basic		12.7¢	7.3¢	14.2¢
Diluted		12.5¢	7.3¢	14.2¢

All amounts relate to continuing activities.

The notes on pages 8 to 11 form part of this financial information.

Consolidated Balance Sheet

at 30 June 2006

	30 June 2006 US\$'000 (unaudited)	30 June 2005 US\$'000 (audited)	31 December 2005 US\$'000 (audited)
Assets			
Non-current assets			
Intangible assets	-	400	-
Property, plant and equipment	9,449	7,755	8,341
Deferred taxes	461	-	361
	9,910	8,155	8,702
Current assets			
Cash and cash equivalents	116,874	42,137	62,202
Trade and other receivables	11,746	15,556	15,013
Amounts due from related parties	-	8,204	1,649
	128,620	65,897	78,864
Total assets	138,530	74,052	87,566
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	3,068	3,065	3,068
Share benefit reserve	6,028	-	2,147
Retained earnings	69,817	28,500	27,115
Total equity attributable to equity holders of the parent	78,913	31,565	32,330
Liabilities			
Current liabilities			
Trade and other payables	29,589	17,346	25,593
Customer deposits	30,028	25,141	29,325
Amounts due to related parties	-	-	318
Total liabilities	59,617	42,487	55,236
Total equity and liabilities	138,530	74,052	87,566

Approved and authorised for issue by the Board on 14 September 2006.



John Anderson
Chief Executive Officer



Aviad Kobrine
Chief Financial Officer

The notes on pages 8 to 11 form part of this financial information.

Consolidated Statement of Changes in Equity

for the period ended 30 June 2006

	Share capital US\$'000	Share benefit reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 1 January 2005	3,066	–	27,113	30,179
Net profit for the period	–	–	24,487	24,487
Dividend paid	–	–	(23,100)	(23,100)
Redemption of preference share capital	(1)	–	–	(1)
Balance at 30 June 2005	3,065	–	28,500	31,565
Net profit for the period	–	–	23,528	23,528
Dividend paid	–	–	(40,000)	(40,000)
Share benefit charge	–	17,234	–	17,234
Transfer of shares granted on IPO	–	(15,087)	15,087	–
Redenomination translation effect	3	–	–	3
Balance at 31 December 2005	3,068	2,147	27,115	32,330
Net profit for the period	–	–	42,702	42,702
Share benefit charge	–	3,881	–	3,881
Balance at 30 June 2006	3,068	6,028	69,817	78,913

The notes on pages 8 to 11 form part of this financial information.

Consolidated Statement of Cash Flows

for the period ended 30 June 2006

	Six months ended 30 June 2006 US\$'000 (unaudited)	Six months ended 30 June 2005 US\$'000 (audited)	Year ended 31 December 2005 US\$'000 (audited)
Cash flows from operating activities			
Profit before income tax	44,133	25,606	50,151
Adjustments for			
Depreciation	1,883	1,165	2,700
Loss on sale of property, plant and equipment	-	-	32
Amortisation	-	-	20
Impairment	-	-	832
Translation effect of redenomination of share capital	-	-	3
Interest received	(1,551)	(192)	(683)
Share benefit charges	3,881	-	17,234
	48,346	26,579	70,289
Decrease in trade receivables	5,144	589	579
Decrease/(increase) in related party balances	1,331	(6,340)	(638)
(Increase)/decrease in other accounts receivable	(1,877)	(915)	142
Increase in trade payables	7,172	4,676	1,177
Increase in customer deposits	703	6,000	10,184
(Decrease)/increase in other accounts payable	(2,903)	(1,247)	9,680
Cash generated from operations	57,916	29,342	91,413
Income tax paid	(1,804)	(2,553)	(3,160)
Net cash generated from operating activities	56,112	26,789	88,253
Cash flows from investing activities			
Purchase of intangibles	-	(400)	(400)
Cash acquired on combination with ACTeCASH	-	-	263
Purchase of property, plant and equipment	(2,991)	(1,678)	(3,831)
Interest received	1,551	192	683
Net cash used in investing activities	(1,440)	(1,886)	(3,285)
Cash flows from financing activities			
Reduction in share capital	-	(1)	(1)
Dividends paid	-	(23,100)	(63,100)
Net cash used in financing activities	-	(23,101)	(63,101)
Net increase in cash and cash equivalents	54,672	1,802	21,867
Cash and cash equivalents at the beginning of the period	62,202	40,335	40,335
Cash and cash equivalents at the end of the period	116,874	42,137	62,202

The notes on pages 8 to 11 form part of this financial information.

Notes to the Consolidated Financial Statements

1 Basis of preparation

The consolidated interim financial information of the Group has been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards (“IAS”) and Interpretations (collectively “IFRS”), adopted by the International Accounting Standards Board (“IASB”) and endorsed for use by companies listed on an EU regulated market.

These results have been prepared on the basis of accounting policies expected to be adopted in the Group’s full financial statements for the year ended 31 December 2006 which are not expected to be significantly different to those set out in note 2 to the groups audited financial statements for the year ended 31 December 2005.

The financial information is presented in thousands of US dollars (US\$’000) because that is the currency the Group primarily operates in.

The financial information for the period ended 30 June 2005 have been audited. The financial statements for the year ended 31 December 2005, which were prepared under IFRS, have been filed with the Registrar of Companies in Gibraltar and received an unqualified audit report. These financial statements are also available from the Company’s website.

The financial information contained in this interim announcement is unaudited and does not constitute statutory accounts.

2 Administrative expense

Administrative expense includes a provision in the sum of \$2,750,000 (2005: nil) associated with Mr. John Anderson stepping down as CEO of the group on 31 December 2006. In accordance with the terms of employment of Mr. John Anderson the provision consists of full year remuneration, a 15% contribution towards pension and 200% bonus.

3 Segment information

Business segments

	Casino US\$'000 (unaudited)	Poker US\$'000 (audited)	Consolidated US\$'000 (audited)
Six months ended 30 June 2006			
Net Gaming Revenue	89,619	73,892	163,511
Result			
Segment result	49,237	45,486	94,723
Unallocated corporate expenses ¹			(52,212)
Operating Profit			42,511
Finance income			1,622
Income tax expense			(1,431)
Net Profit for the year			42,702
Assets			
Unallocated corporate assets			138,530
Total assets			138,530
Liabilities			
Segment liabilities – Poker			20,432
Segment liabilities – Casino			9,596
Unallocated corporate liabilities			29,589
Total liabilities			59,617
1 Including share benefit charges of US\$3,881,000.			
Six months ended 30 June 2005			
Net Gaming Revenue	79,874	43,870	123,744
Result			
Segment result	38,891	15,914	54,805
Unallocated corporate expenses			(29,391)
Operating Profit			25,414
Finance income			192
Income tax expense			(1,119)
Net Profit for the year			24,487
Assets			
Unallocated corporate assets			74,052
Total assets			74,052
Liabilities			
Segment liabilities – Poker			16,387
Segment liabilities – Casino			8,754
Unallocated corporate liabilities			17,346
Total liabilities			42,487

Notes to the Consolidated Financial Statements continued

3 Segment information continued

	Casino US\$'000 (audited)	Poker US\$'000 (audited)	Consolidated US\$'000 (audited)
Year ended 31 December 2005			
Net Gaming Revenue	161,214	109,817	271,031
Result			
Segment result	79,555	55,169	134,724
Unallocated corporate expenses ¹			(85,308)
Operating Profit			49,416
Finance income			735
Income tax expense			(2,136)
Net Profit for the year			48,015
Assets			
Unallocated corporate assets			87,566
Total assets			87,566
Liabilities			
Segment liabilities – Poker			20,099
Segment liabilities – Casino			9,226
Unallocated corporate liabilities			25,911
Total liabilities			55,236

1 Including share benefit charges of US\$17,234,000.

Other than where amounts are allocated specifically to the Casino and Poker segments above, the expenses, assets and liabilities relate jointly to both segments. Any allocation of these items would be arbitrary.

Geographical segments

The Group's performance can also be reviewed by considering the geographical markets and geographical locations within which the Group operates. This information is outlined below:

Net Gaming Revenue by geographical market

	Six months ended 30 June 2006 US\$'000 (unaudited)	Six months ended 30 June 2005 US\$'000 (audited)	Year ended 31 December 2005 US\$'000 (audited)
USA	85,305	68,599	148,049
UK	36,593	22,794	53,871
Europe	27,093	23,325	47,289
Americas	9,328	5,328	12,007
Rest of World	5,192	3,698	9,815
	163,511	123,744	271,031

4 Earnings per share

Basic earnings per share

Basic earnings per share has been calculated by dividing the Net Profit attributable to ordinary shareholders (profit for the period) by the weighted average number of shares in issue during the period.

Diluted earnings per share

In accordance with IAS 33 “Earnings per Share”, the weighted average number of shares for diluted earnings per share takes into account all potentially dilutive shares and share options granted, which are not included in the number of shares for basic earnings per share.

	Six months ended 30 June 2006 US\$'000 (unaudited)	Six months ended 30 June 2005 US\$'000 (audited)	Year ended 31 December 2005 US\$'000 (audited)
Net Profit attributable to ordinary shareholders	42,702	24,487	48,015
Weighted average number of Ordinary Shares in issue	337,096,320	337,096,320	337,096,320
Basic earnings per share	12.7¢	7.3¢	14.2¢
Weighted average number of dilutive Ordinary Shares	342,886,703	337,096,320	338,419,476
Diluted earnings per share	12.5¢	7.3¢	14.2¢

Earnings per share excluding share benefit charges

Reconciliation of Net Profit to Net Profit before share benefit charge:

	Six months ended 30 June 2006 US\$'000 (unaudited)	Six months ended 30 June 2005 US\$'000 (audited)	Year ended 31 December 2005 US\$'000 (audited)
Net Profit attributable to ordinary shareholders	42,702	24,487	48,015
Share benefit charges	3,881	–	17,234
Net Profit excluding share benefit charges	46,583	24,487	65,249
Weighted average number of Ordinary Shares in issue ¹	337,096,320	337,096,320	337,096,320
Basic earnings per share excluding share benefit charges	13.8¢	7.3¢	19.3¢
Weighted average number of dilutive Ordinary Shares	342,886,703	337,096,320	338,419,476
Diluted earnings per share excluding share benefit charges	13.6¢	7.3¢	19.3¢

* Comparative weighted average number of Ordinary Shares in issue has been restated in order to reflect the share split that took place on 14 September 2005.

5 Interim dividend

The directors have declared an interim dividend of 4.5¢ per share payable on 31 October 2006 to shareholders on the register at 13 October 2006.

In addition, the directors have declared a special dividend of 4.0¢ per share payable on 31 October 2006 to shareholders on the register at 13 October 2006.

Independent Review Report To The Shareholders of 888 Holdings Public Limited Company

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2006 which comprises the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and related notes 1 to 5. We have read the other information contained within the financial information and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Listing Rules of the Financial Services Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in a format equivalent to the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the financial information should be consistent with those applied in preparing the annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2006.



BDO Stoy Hayward LLP
Chartered Accountants

8 Baker Street
London W1U 3LL
United Kingdom
14 September 2006

Shareholder Information

Group Websites

A range of shareholder information is available in the Investor Relations area of the Group's website, www.888holdingsplc.com, including:

- Latest information on the Group's share price
- Information on the Group's financial performance
- News and events

The following websites can also be accessed through the Group's main web portal 888.com.

Casino

888's Casino games are offered through its Casino-on-Net and Reef Club Casino offerings.

- www.Casino-on-Net.com
- www.ReefClubCasino.com

Poker

888's Poker offering is through Pacific Poker.

- www.PacificPoker.com

888.tv

A portal for skill games allowing members to download games, open accounts and play tournaments.

- www.888.tv

888.info

Allows members to practise their gaming skills for fun through a number of key Casino and Poker games.

- www.888.info

Shareholder Services

All enquiries relating to Ordinary Shares, Depository Interests, dividends and changes of address should be directed to the Group's Transfer Agent:

Capita Registrars
The Registry, 34 Beckenham Road
Beckenham, Kent BR3 4TU
Tel: 0870 162 3100
www.capitaregistrars.com

Incorporated in Gibraltar with registered number 90099

Further Information

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