



RESULTS FOR THE YEAR ENDED

31 DECEMBER 2013

AGENDA

Brian Mattingley | Introduction

Aviad Kobrine | Financial Review

Itai Frieberger | Operational Review

Brian Mattingley | Summary

Q&A

OPERATIONAL ACHIEVEMENTS 2013

- Real growth from core Markets
- Enhancement of core products
- Positive contribution in Spain and Italy
- US launch
- Off-shore Technology Centre

OPPORTUNITIES 2014

- Further regulation in the US
- Inter-state liquidity pooling
- European product and platform progress
- Innovative marketing campaigns
- Strong current trading



AVIAD KOBRINE, CFO | FINANCIAL REVIEW

HIGHLIGHTS

- Another record annual revenue up **7%**, to **\$401m**
- Revenue B2C up **7%** to **\$352m**
 - Revenue Casino B2C up **15%** to **\$190m**
 - Revenue Poker B2C up **7%** to **\$94m**
- Adjusted EBITDA up **13%** to **\$76m**
- Adjusted EBITDA Margin increases to **18.9%**, (2012: 17.8%)
- PBT up **30%** to **\$53m** (2012: \$41m)
- Adjusted EPS up **19%** to **16.6¢** (2012: 13.9¢)
- Cash position **\$116m** - \$60.4m corporate cash, \$55.4m customers
- Cash generated from operational activities at **119%** of Adjusted EBITDA
- Final Dividend **4.0¢** per policy
- Plus **7.0¢** one-off, total for the year **14.0¢**

PROFIT AND LOSS ACCOUNT¹

\$m	2013	2012	% Change
Revenue	400.5	375.8	7%
Operating expenses ²	114.1	113.5	
Gaming duties ³	13.7	11.5	
Research and development expenses	30.7	27.2	
Selling and marketing expenses	139.9	131.2	
<i>% of Revenues</i>	34.9%	34.9%	
Administrative expenses ^{4,5}	26.5	25.6	
Adjusted EBITDA^{3,4,5}	75.6	66.8	13%
<i>% of Revenues</i>	18.9%	17.8%	
Depreciation and Amortisation	13.9	14.8	
Share benefit charges, finance and other	4.4	11.2	
Share of Joint ventures loss	4.1	-	
Profit Before Tax	53.2	40.8	30%
Taxation	3.2	5.5	
Profit after tax	50.0	35.4	
Adjusted EPS⁶	16.6 ¢	13.9 ¢	19%

¹ Totals may not sum due to rounding.

² Excluding depreciation of US\$8.3 million (2012: US\$9.2million) and amortisation of US\$5.6 million (2012: US\$5.5 million).

³ Excluding retroactive duties and associated charges of nil (2012: US\$11.1 million)

⁴ Excluding share benefit charges of US\$5.5 million (2012: US\$1.7 million)

⁵ Excluding impairment charges of nil (2012: US\$2.2 million)

⁶ As defined in note 8 to the financial statement

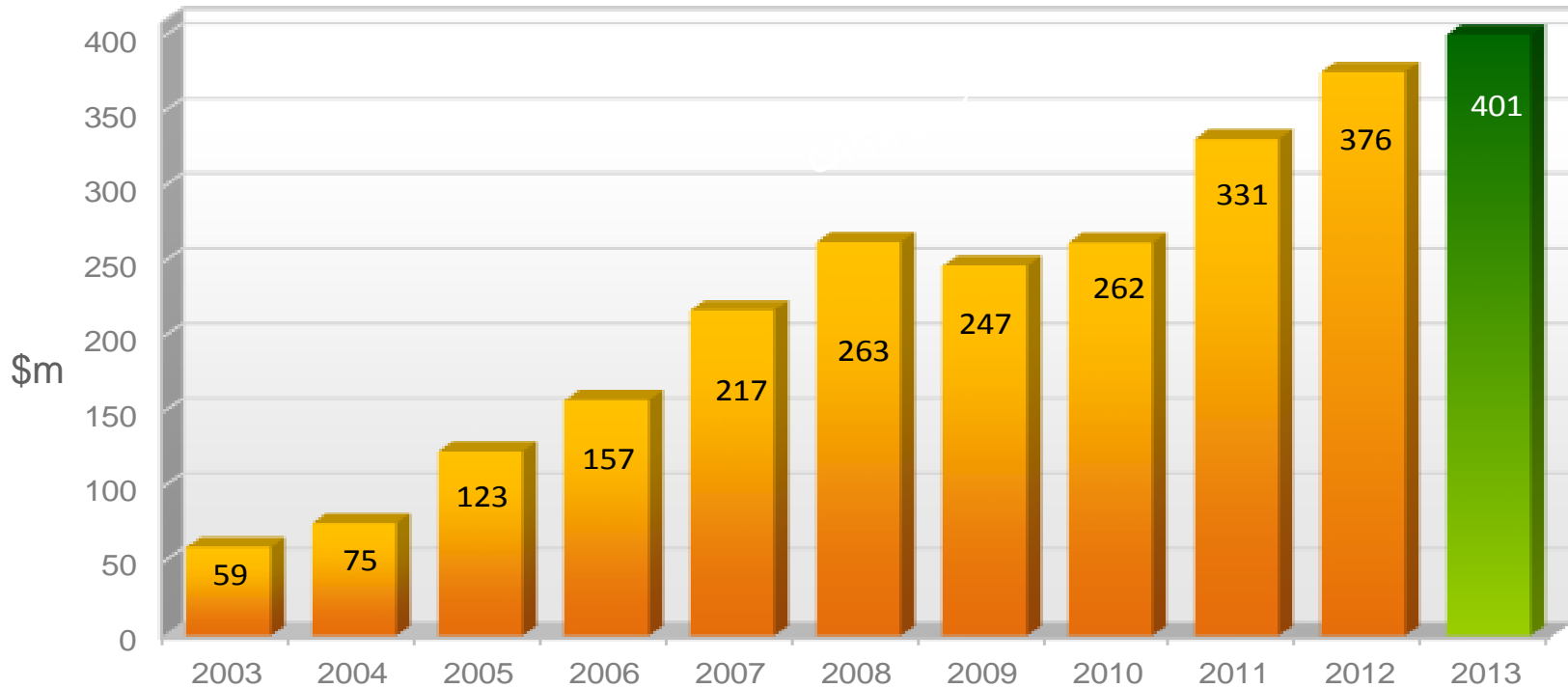
P&L HIGHLIGHTS

- Revenue growth in Spain 30%
- Revenue Growth in Italy 65%
- Impact of US operations during 2013
 - US\$ 6 million capitalised US development costs
 - US\$4.1 share of JV loss – mainly set up for US launch

REVENUE

- 2013 - revenue up **7%** to **\$401m** (2012: \$376m)
- 2013 – another record breaking year, four consecutive years of growth
- 21% CAGR

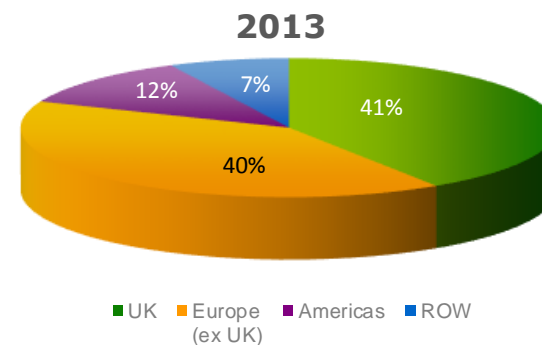
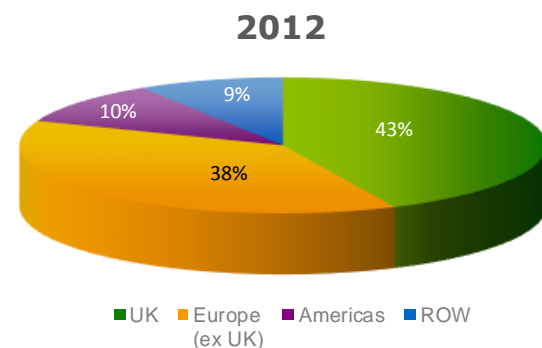
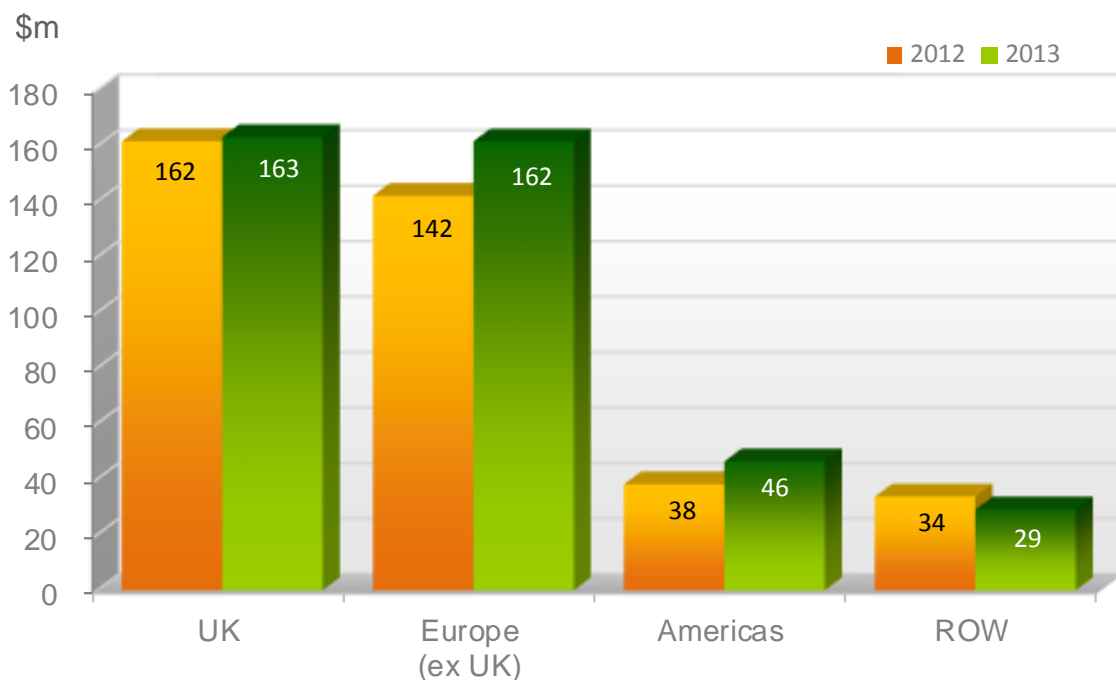
Revenue 2003 – 2013(\$m)



GEOGRAPHICAL SEGMENTATION

- Revenue growth in Europe **14%**, UK **1%** (ex Bingo **11%**), Americas **22%**, ROW down 14%
- UK represents **41%** of Total revenue in 2013 (2012: 43%)
- Europe leads the regional growth, with more regulated volume and expanding marketing efforts

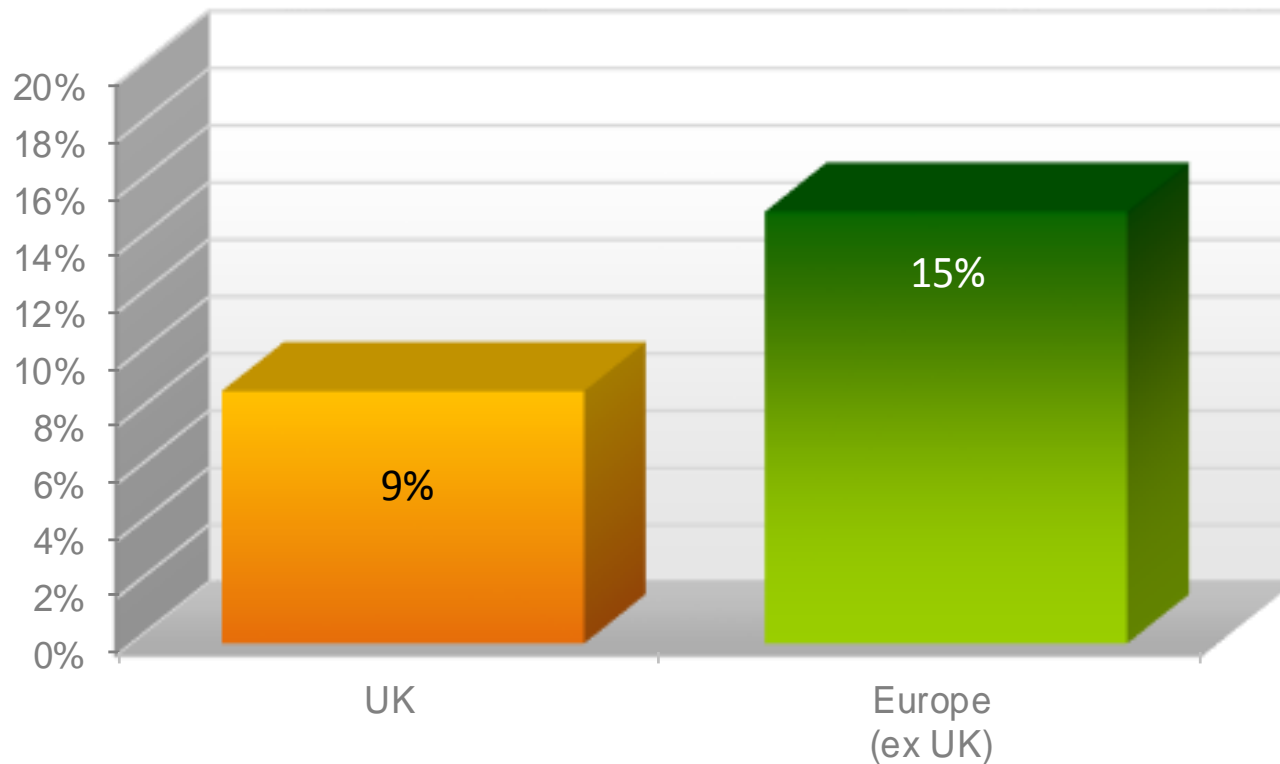
Geographic segmentation, Total Revenue 2012 and 2013



GEOGRAPHICAL GROWTH BY REGION/PRODUCT

- Casino & Poker main growth markets are UK and Europe (ex UK) with the highest absolute growth generated from Europe (ex UK)

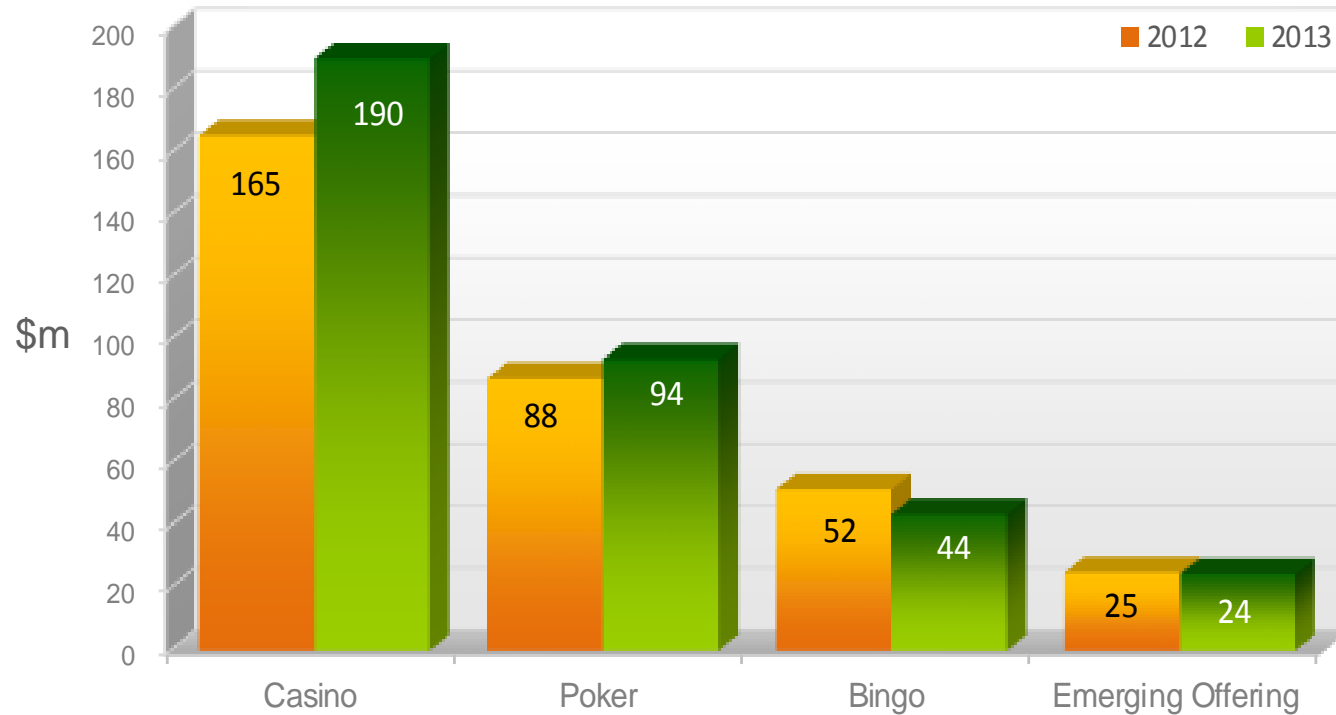
Casino & Poker B2C Revenue Growth in 2013 over 2012



REVENUE B2C BY PRODUCT

- Growth continues by increased focus on core products
- Casino up **15%**, Poker up **7%**, Bingo & Emerging Offering are down driven by Bingo competitive market

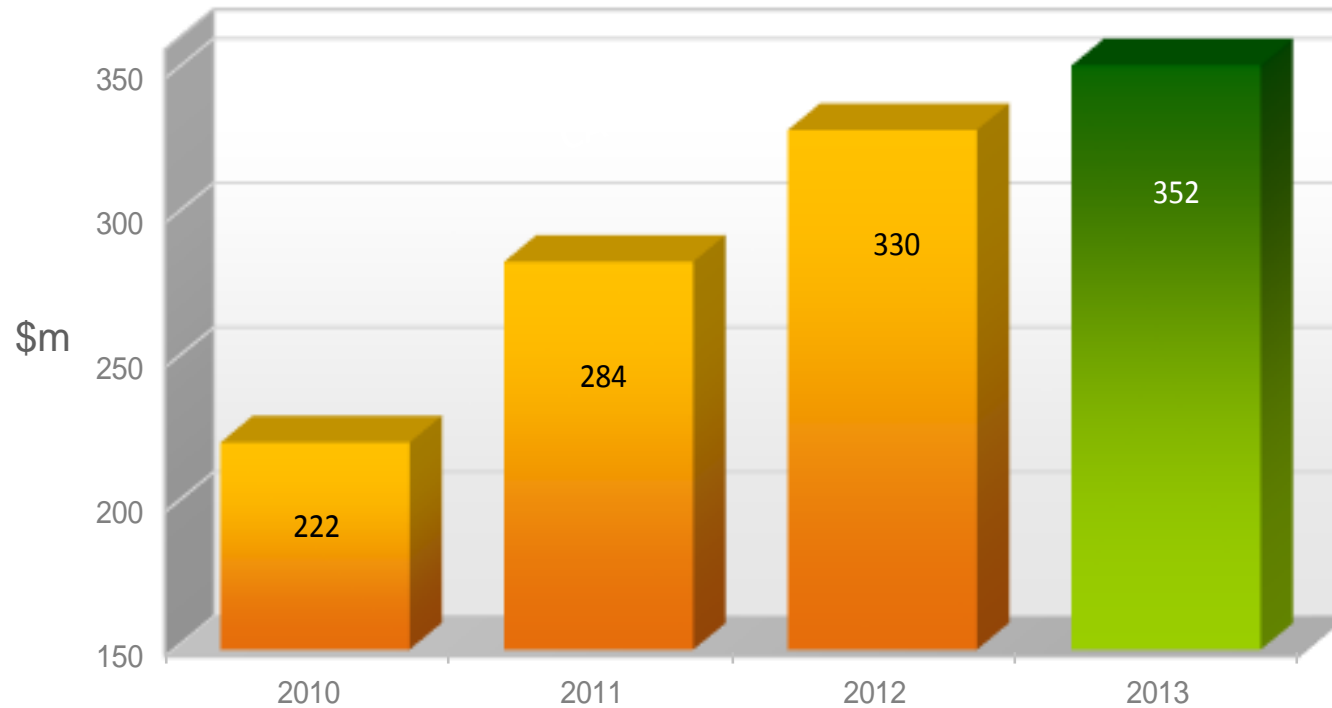
Revenue B2C 2013 vs. 2012 (\$m)



REVENUE B2C

- 2013 revenue up **7%** to **\$352m** (2012: \$330m)
- 17% CAGR
- Consistent growth

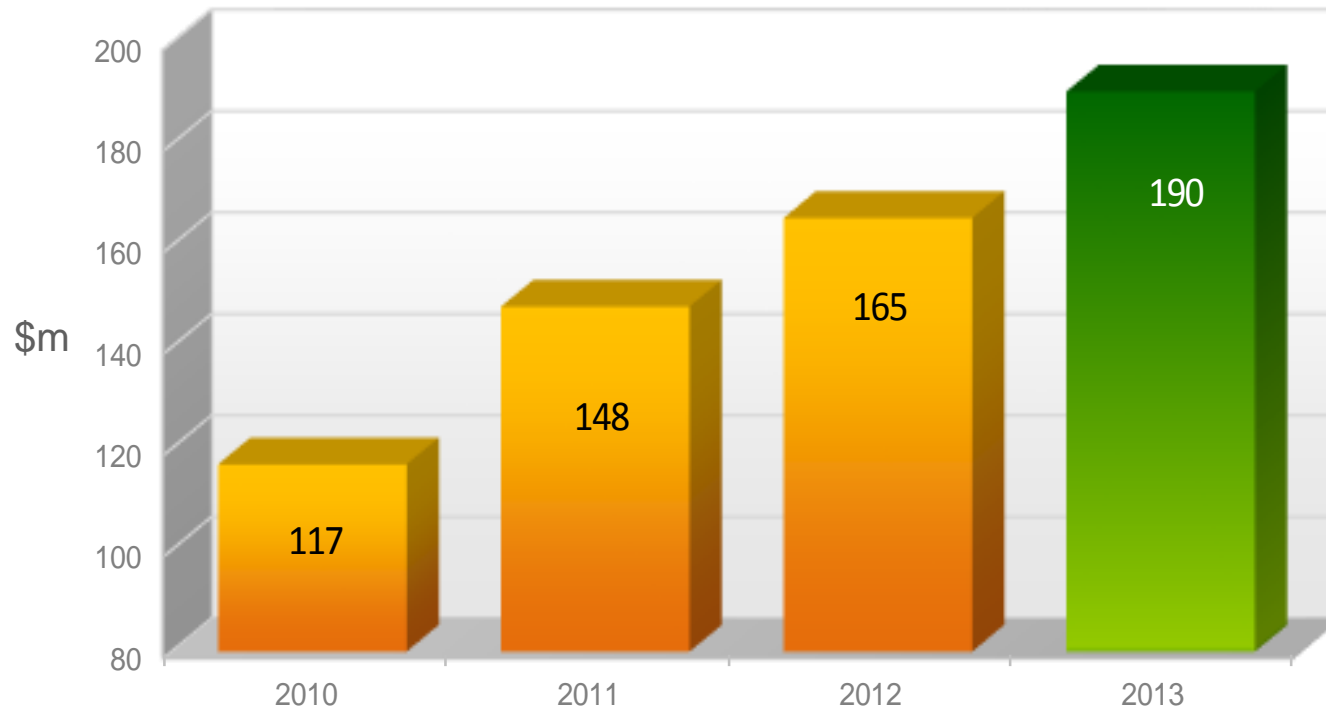
Revenue B2C 2010 –2013 (\$m)



REVENUE CASINO B2C

- 2013 revenue up **15%** to **\$190m** (2012: \$165m)
- Strong casino performance benefit from strong mobile growth and a full year of slots in Italy (introduced in December 2012)

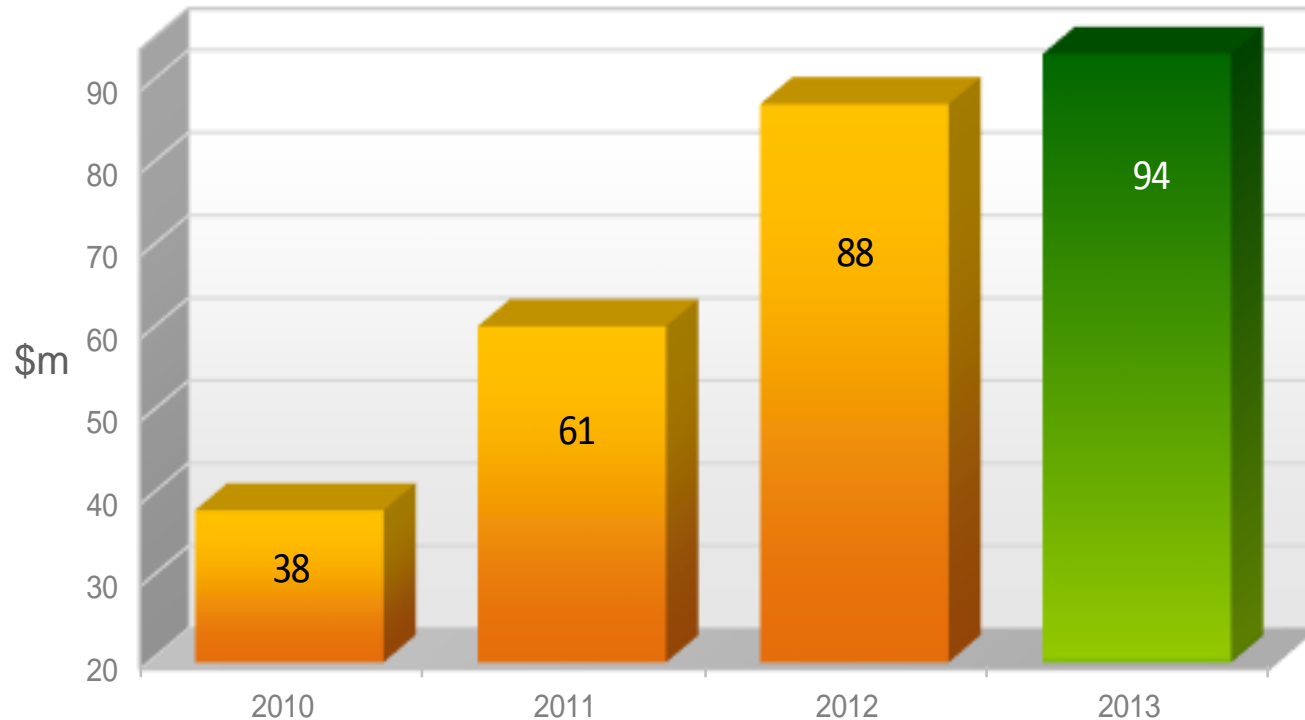
Revenue Casino B2C 2010 –2013(\$m)



REVENUE POKER B2C

- 2013 revenue up **7%** to **\$94m** (2012: \$88m)
- Robust Poker volumes, supported by an increase in liquidity and regulated presence
- No. 2 in global poker ranking*

Revenue Poker B2C 2010 –2013 (\$m)

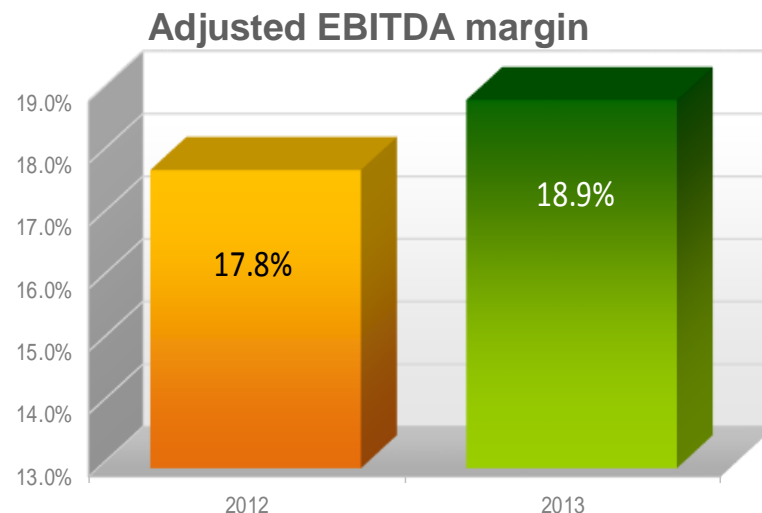
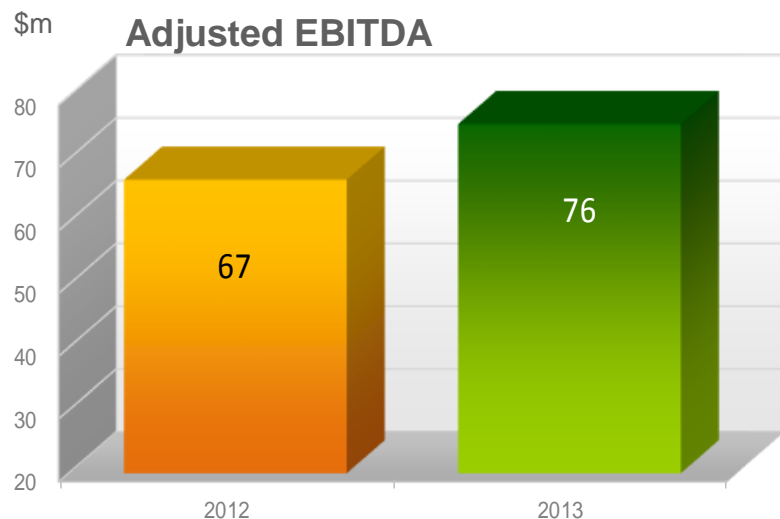


* Source Pokerscout.com March 2014

ADJUSTED EBITDA AND MARGIN

- Adjusted EBITDA up **13%** to **\$76m** (2012: \$67m)
- Adjusted EBITDA margin increased to **18.9%** despite growing gaming duties and US build-up focus

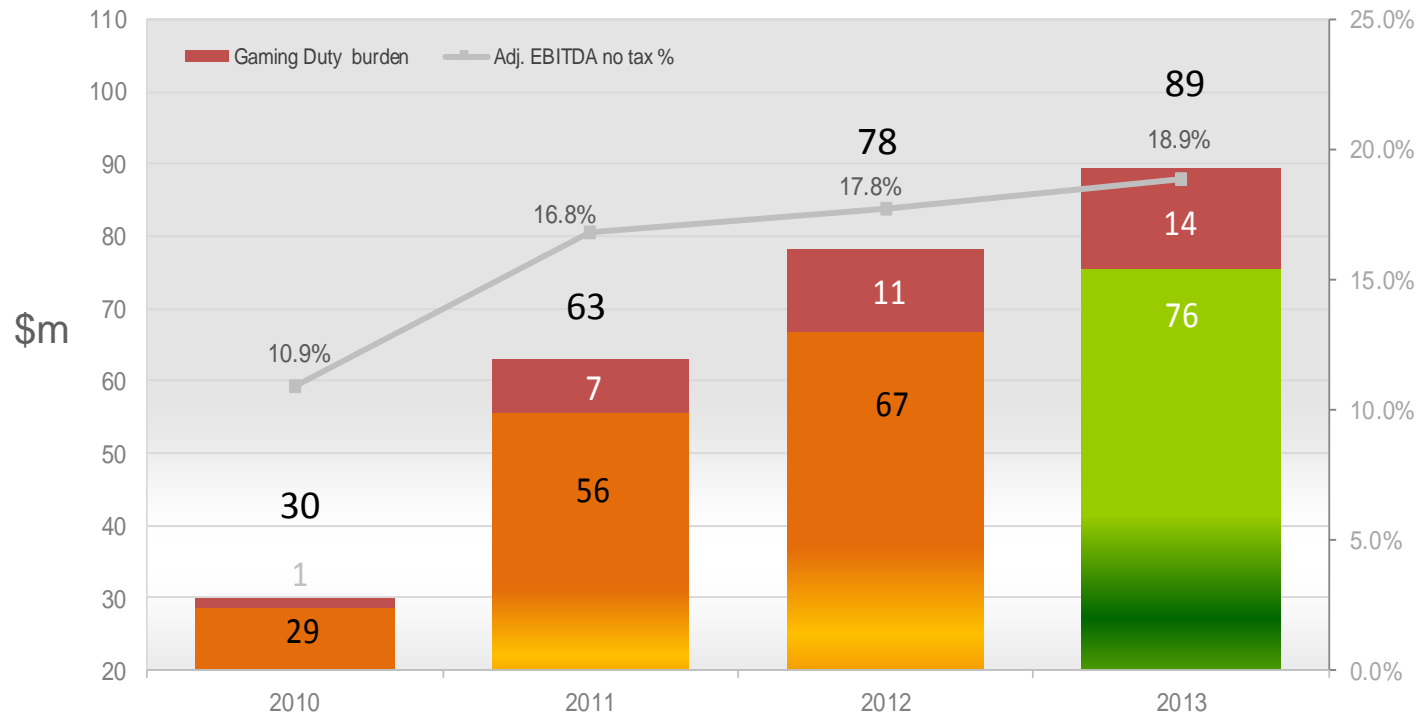
Adjusted EBITDA H1 2013 vs. H1 2012



ADJUSTED EBITDA TREND

- Adjusted EBITDA Margin continue to expand despite increased gaming duty
- 2013 Adjusted EBITDA exceed previous year strong comparable

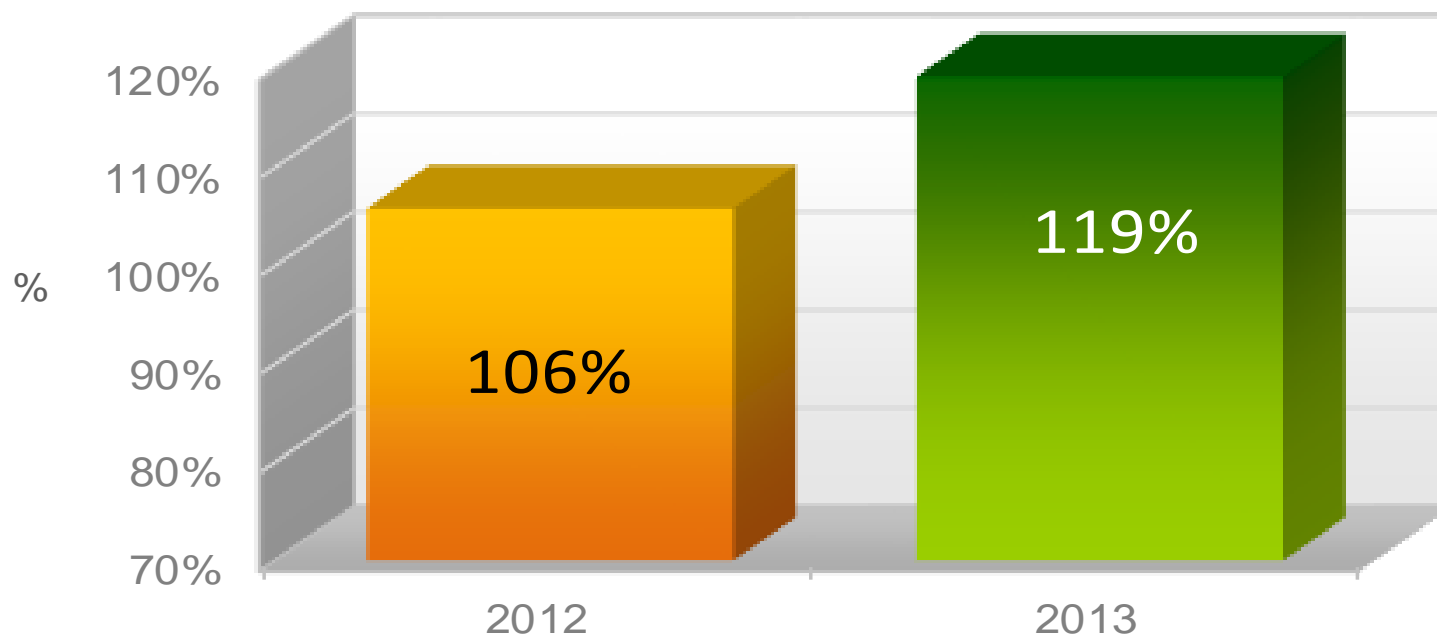
Adjusted EBITDA 2013



CASH FROM OPERATIONS

- High % Adjusted EBITDA convert into cash from operations in 2013, **119%** (2012: 106%)

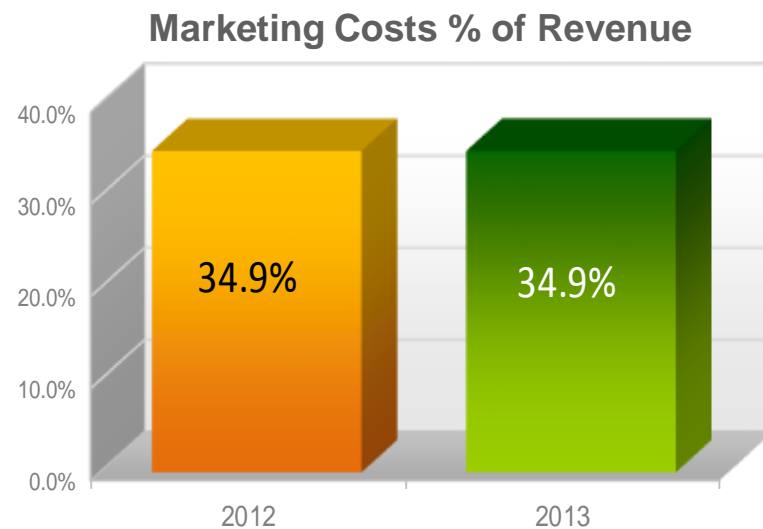
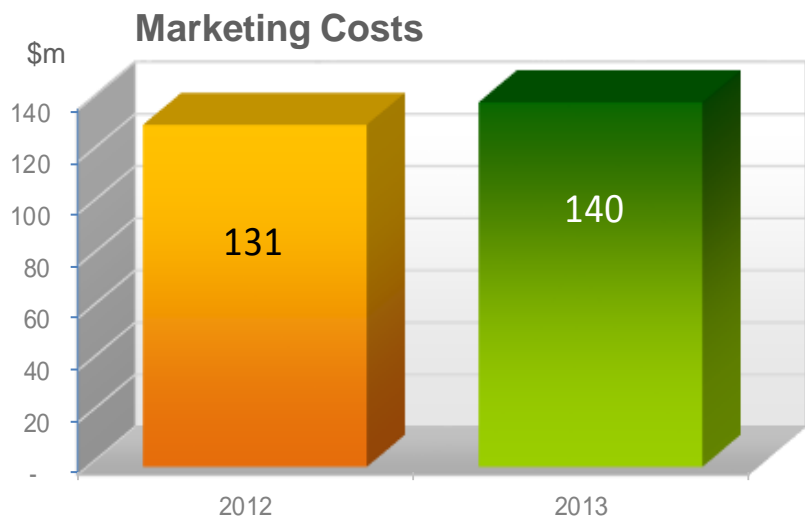
% Cash from operations as a % of Adjusted EBITDA



MARKETING COST RATIO

- Increased Marketing spend with stable ratio to revenue, supporting Revenue growth

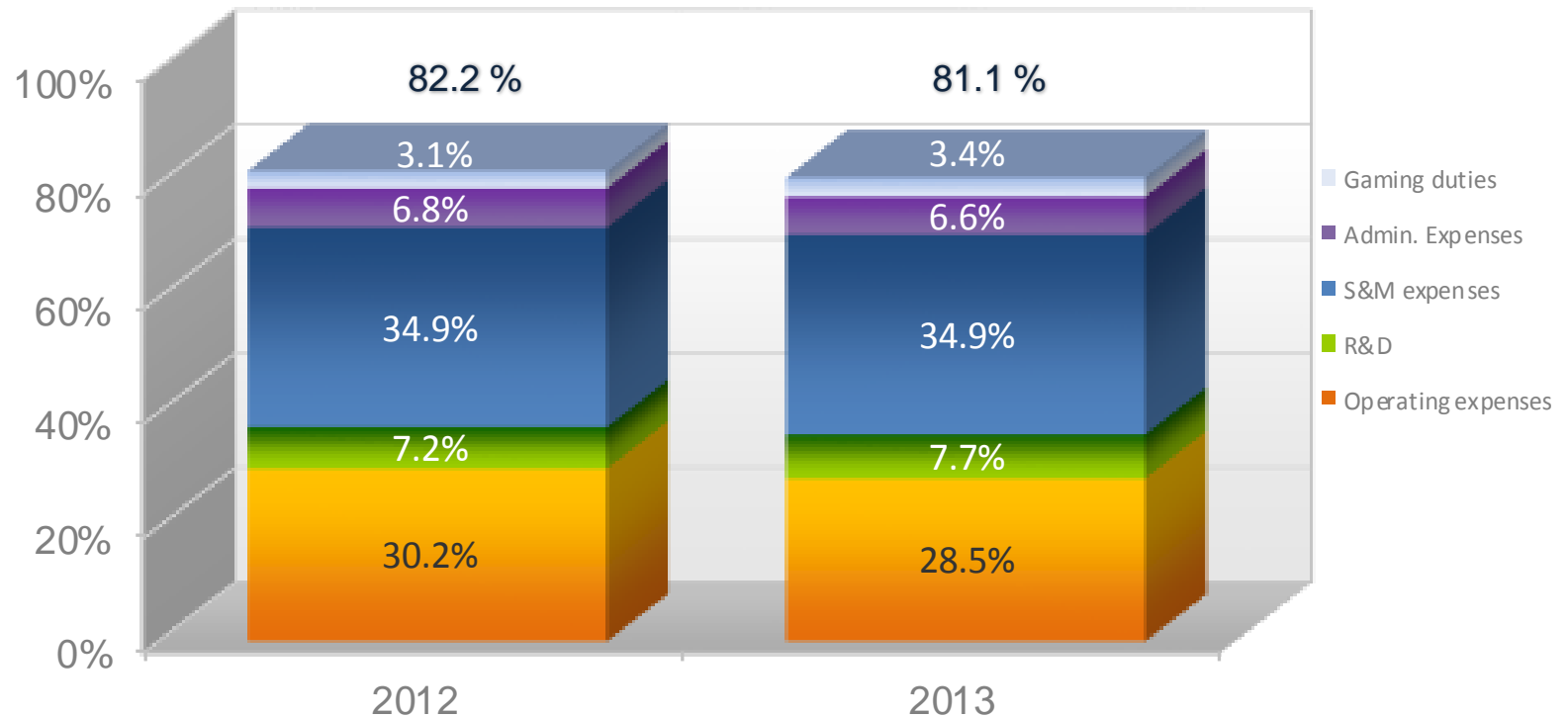
Marketing Costs 2013 vs. 2012



COST STRUCTURE

- Cost* percentage at **81%** (2012: 82%)
- Cost ratio continue to decrease despite increasing gaming duty
- Operational gearing, despite US focus

Cost as a % of Total Revenue 2013 vs. 2012

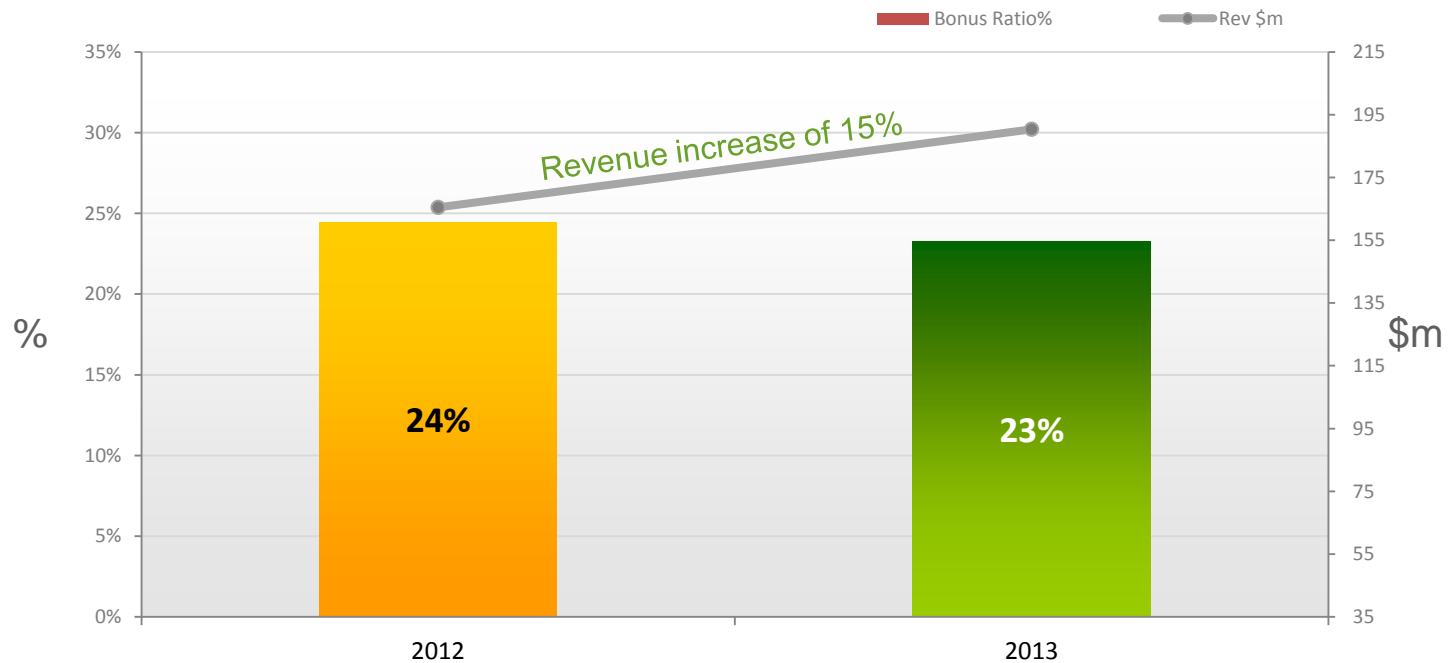


* Excluding share benefit charges, depreciation, amortisation, 2012 impairment charges, retroactive gaming duties and associated charges,

CUSTOMER INCENTIVES B2C CASINO

- 2013 bonus ratio continues to demonstrate optimal CRM efforts supporting growth

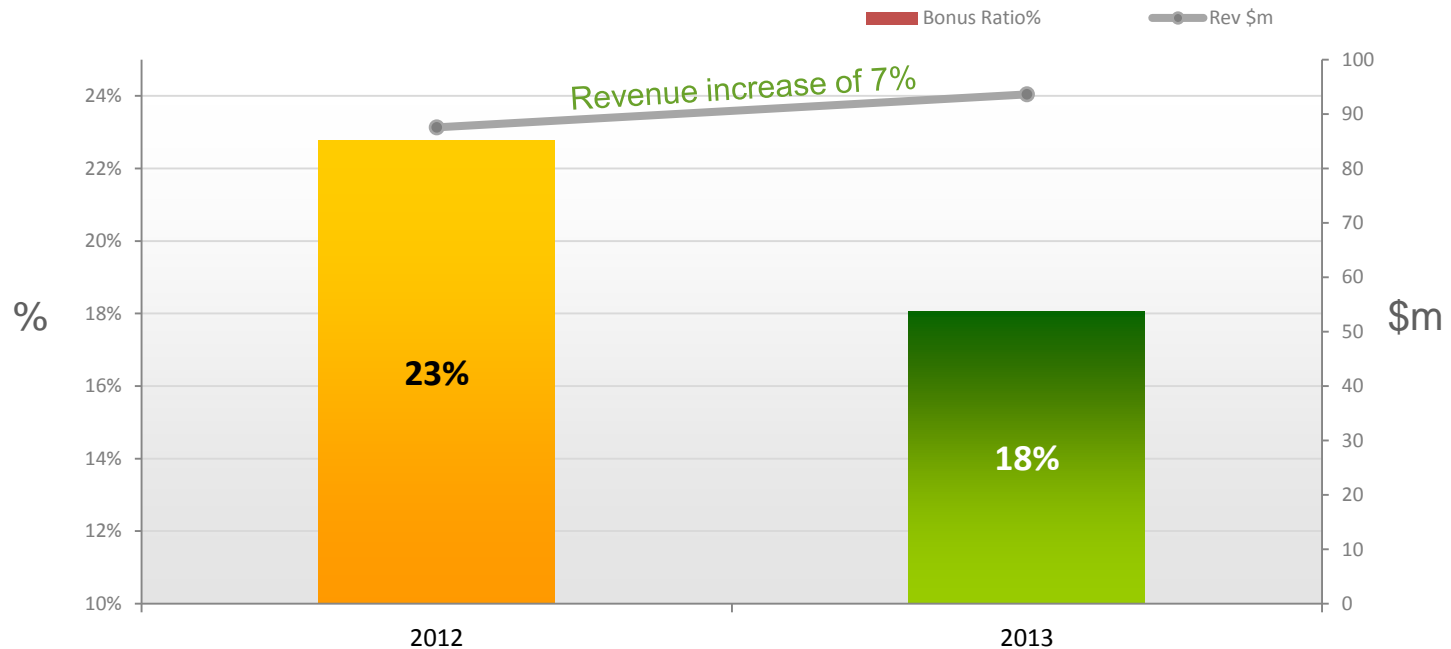
Customer Bonuses as % of Revenue



CUSTOMER INCENTIVES B2C POKER

- Lower Poker bonus ratio, coupled with revenue growth and leading market position signals the effectiveness of CRM efforts

Customer Bonuses as % of Revenue



BALANCE SHEET

\$m	31-Dec-13	31-Dec-12
Non-current assets		
Intangible assets	155.7	147.7
Property, plant and equipment	19.1	18.3
Deferred tax & Other financial assets	1.4	0.6
Investment in equity accounted joint ventures	3.9	0.0
	180.1	166.6
Current assets		
Cash and cash equivalents	115.8	81.5
Trade and other receivables	32.4	33.0
Short term investments	3.9	3.5
	332.2	284.6
Total Assets		
Equity		
Share capital and share premium	4.1	3.2
Retained earnings and reserves	170.6	145.0
Total equity attributable to equity holders	174.7	148.2
Liabilities		
Current liabilities		
Trade and other payables	98.6	85.4
Customer deposits	55.4	49.5
Contingent consideration	0.4	0.7
Non-current liabilities		
Cash settled liability	3.1	0.8
Total equity and liabilities	332.2	284.6

* Rounded

CASH FLOW STATEMENT

\$m full year Ended 31 December	2013	2012
Cash flows from operating activities		
Profit before income tax	53.2	40.8
Impairment charges	0.0	2.2
Share benefit charges	5.5	1.7
Depreciation & amortisation	13.9	14.8
Change in current assets and liabilities	12.0	20.2
Other non cash adjustments	9.9	(4.0)
Cash generated from operations	94.5	75.7
Income tax paid	(4.3)	(5.0)
Net cash generated from operating activities	90.2	70.7
Acquisitions	(0.8)	(36.7)
Purchase of property, plant and equipment	(9.1)	(10.6)
Internally generated intangible assets	(12.7)	(10.5)
Other investment activity	(0.9)	2.5
Net cash used in Investing Activities	(23.5)	(55.3)
Interest paid	0.0	(1.1)
Issue of shares	0.8	0.0
Dividends paid	(33.2)	(8.7)
Net (decrease) increase in cash and cash equivalents	34.3	5.6
Cash and cash equivalents - beginning of period	81.5	75.9
Cash and cash equivalents - end of period	115.8	81.5

* Rounded



ITAI FRIBERGER, COO | OPERATIONAL REVIEW

B2C

DEPOSITS



JAN 2012

100%



APR 2012

103%



OCT 2012

105%



DEC 2012

110%



FEB 2013

114%



DEC 2013

116%

CASINO

REVENUE



JAN 2013

100%



FEB 2013

106%



NOV 2013

107%



DEC 2013

117%

NUMBER OF ACTIVE PLAYERS



JAN 2012

100%



JAN 2013

101%



DEC 2013

110%

SPORT

BETS



JAN 2013

100%



APR 2013

109%



AUG 2013

132%



OCT 2013

151%



DEC 2013

187%

POKER

NUMBER OF ACTIVE PLAYERS



JAN 2012

100%



JAN 2013

105%



DEC 2013

115%

TOTAL

TOTAL COMPANY

2010

\$262M

2011

\$331M

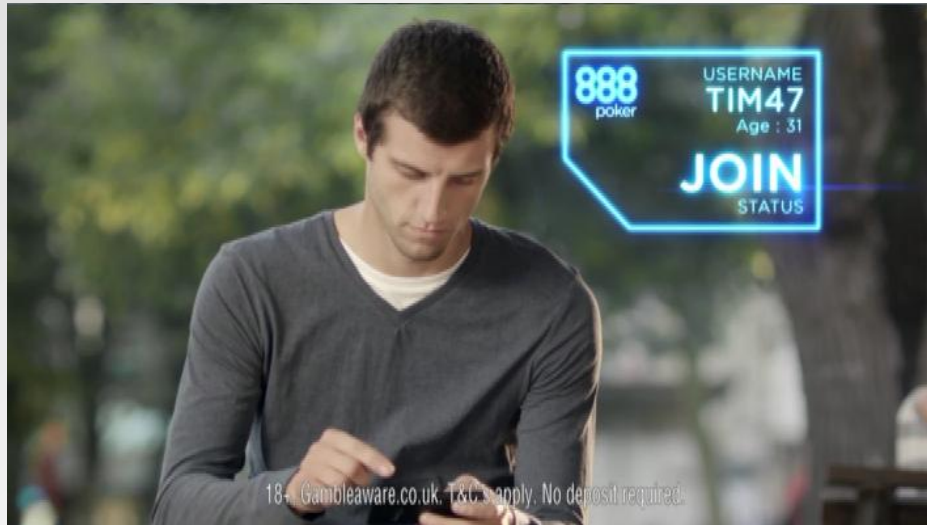
2012

\$376M

2013

\$401M

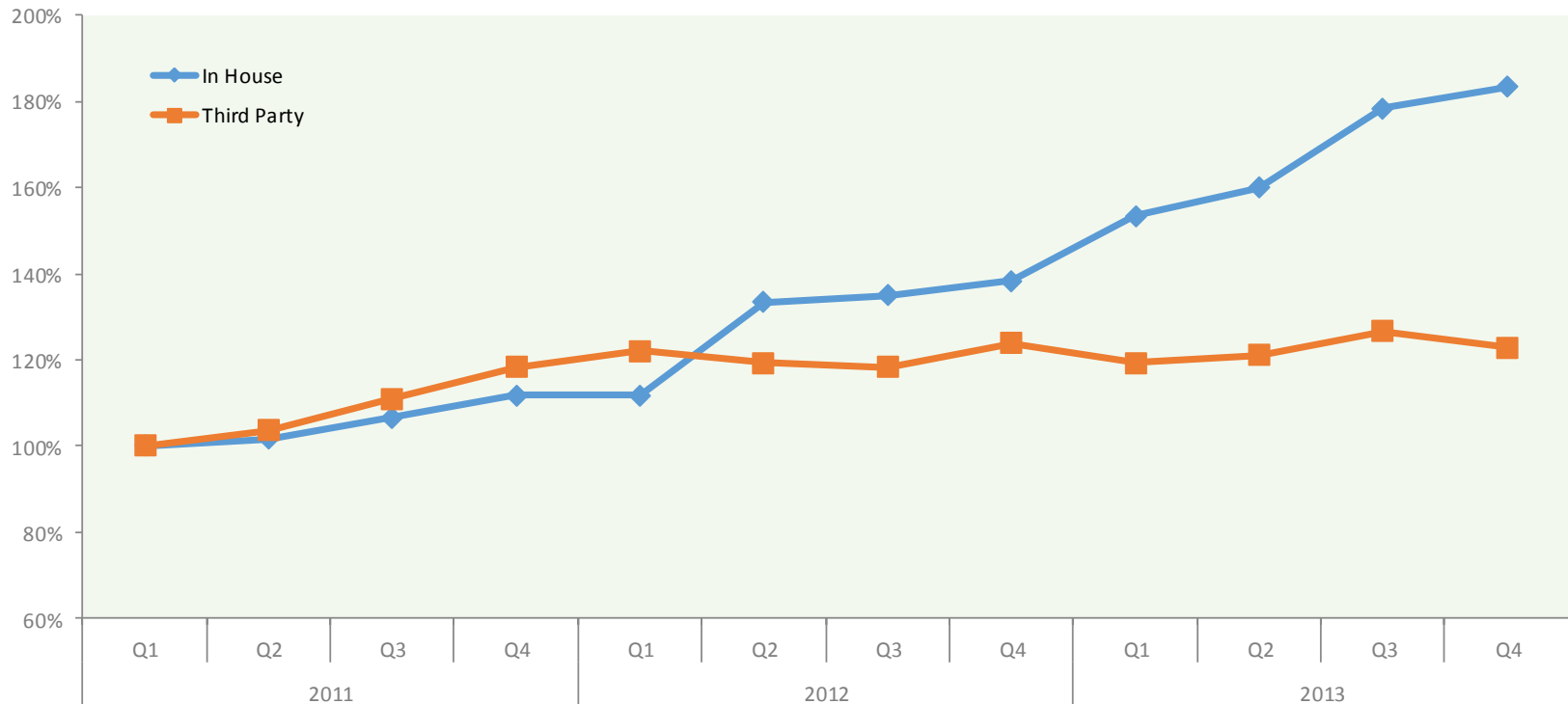
OUR CORE OFFERING



CASINO

- New automated marketing protocols and promotions
- In house game studio fully operational

IN HOUSE VS. THIRD PARTY GAMES

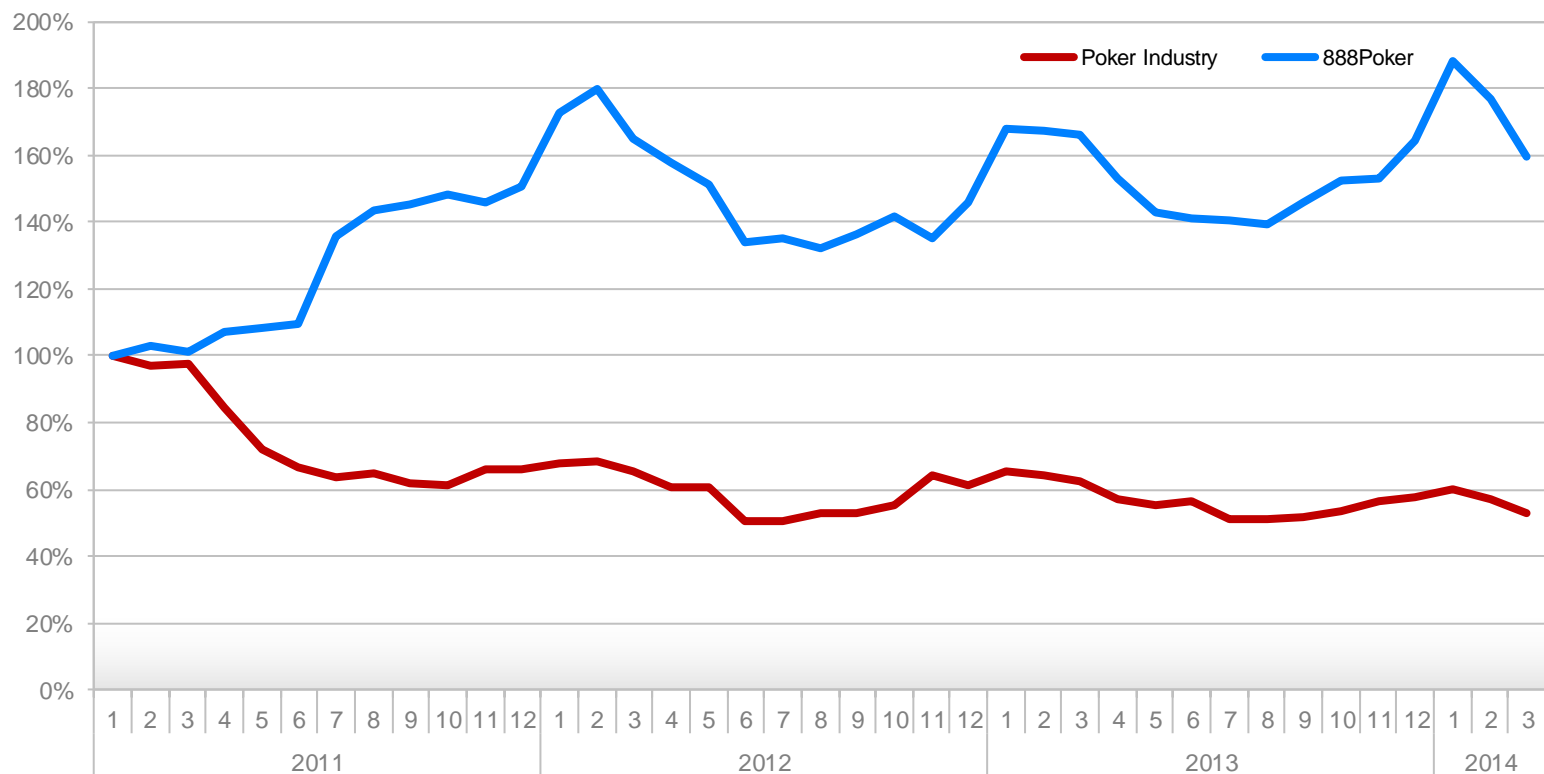


Q1 2011 as base = 100%

POKER

- Advancing to number 2 in the global poker rankings*
- As of Feb 2014, 888Poker liquidity is **10%** higher than the peak observed in Feb 2013
- On a parallel comparison, Industry was **9%** lower

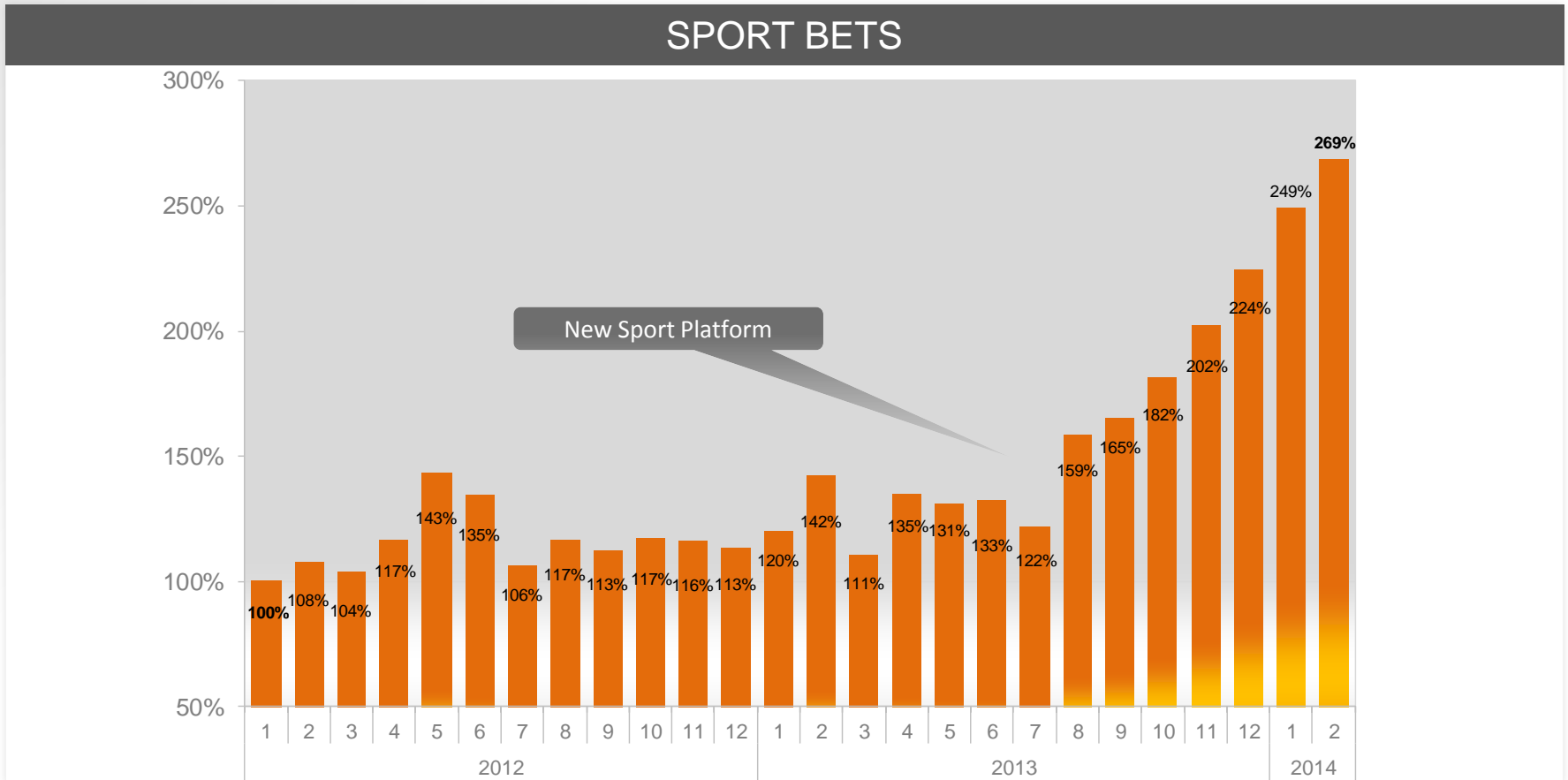
POKER LIQUIDITY TREND CHANGE SINCE JAN 2011



Source: Pokerscout, Mar 2014 (23 days in Mar)

SPORT

- The all-new 888sport launched
- Fully integrated into the 888 core platform
- New markets and new marketing activities planned for 2014



Average daily Bets

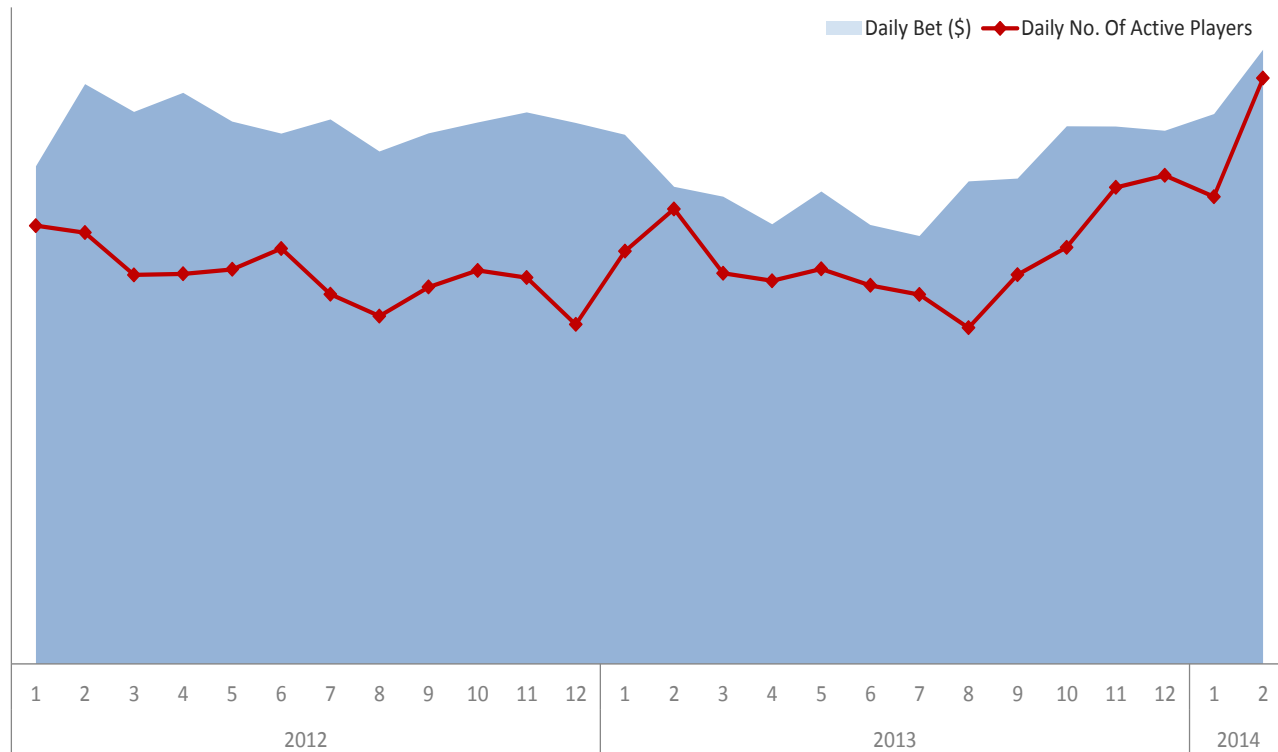
BINGO



BINGO

- Reversing the trend
- Continued investment in our platform – mobile driving a REAL impact

Bingo platform volume and activity



Overall Bingo platform volume



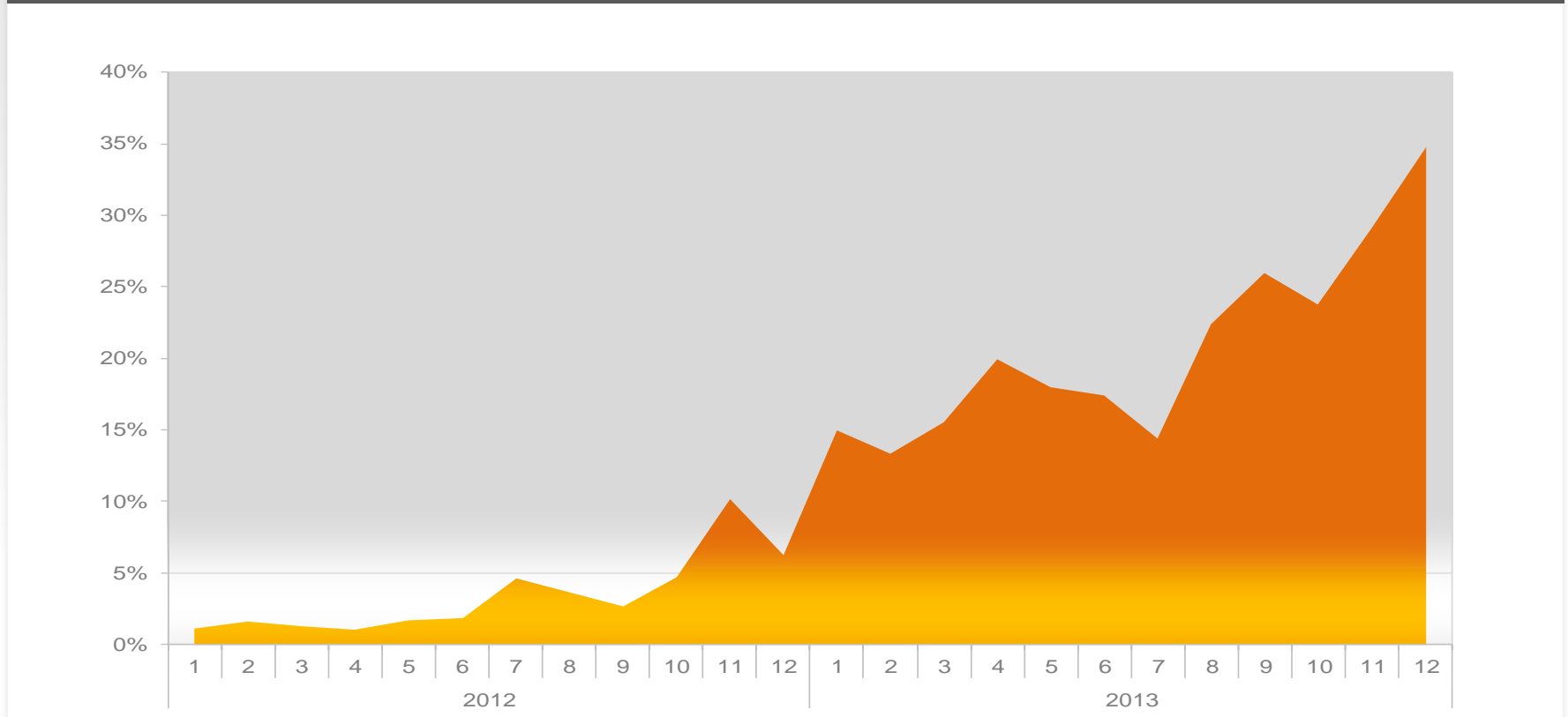
MOBILE



- Home grown
- Embedded across the 888 verticals
- Multi Platform, multi OS
- Key growth engine

MOBILE REVENUE IN UK

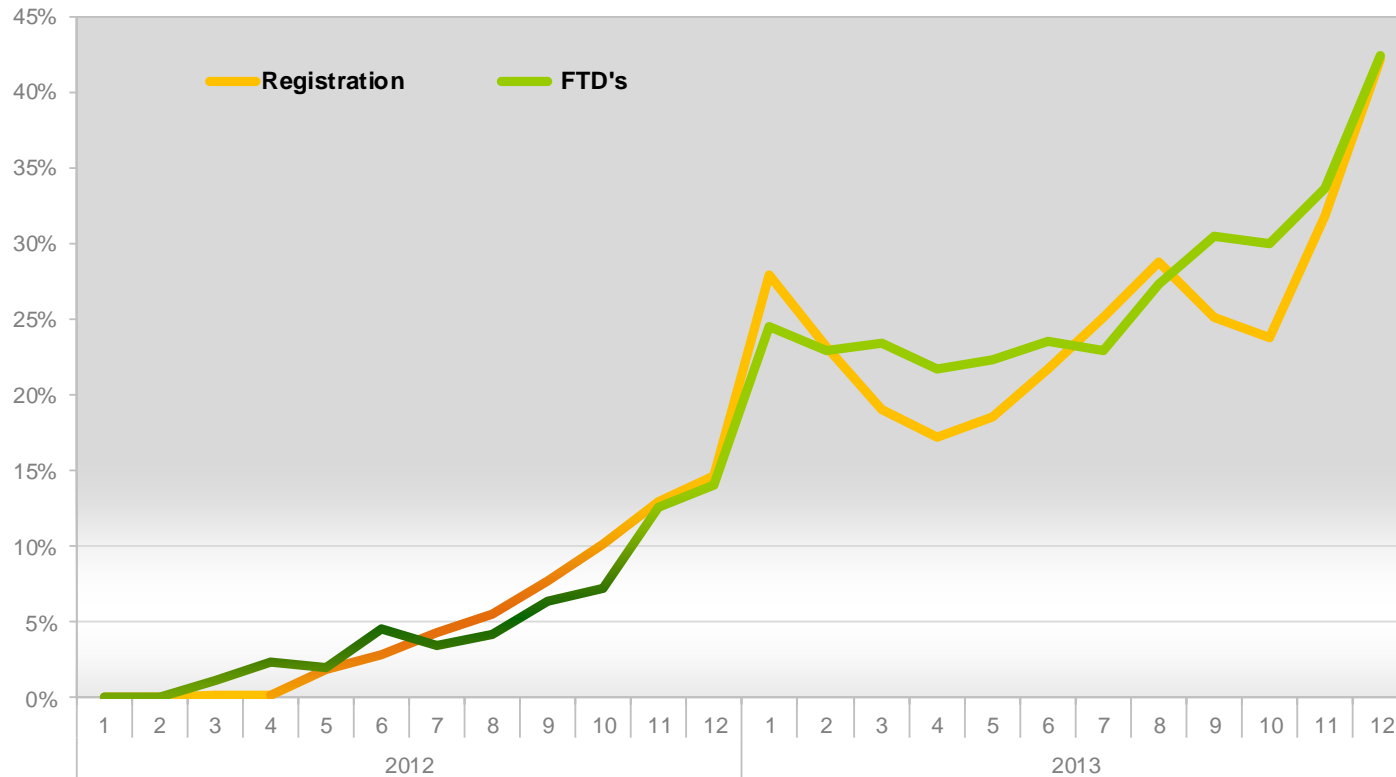
Mobile GGR Share in UK (ex Bingo)



*B2C Casino, Poker & Sport

MOBILE ACQUISITION IN UK

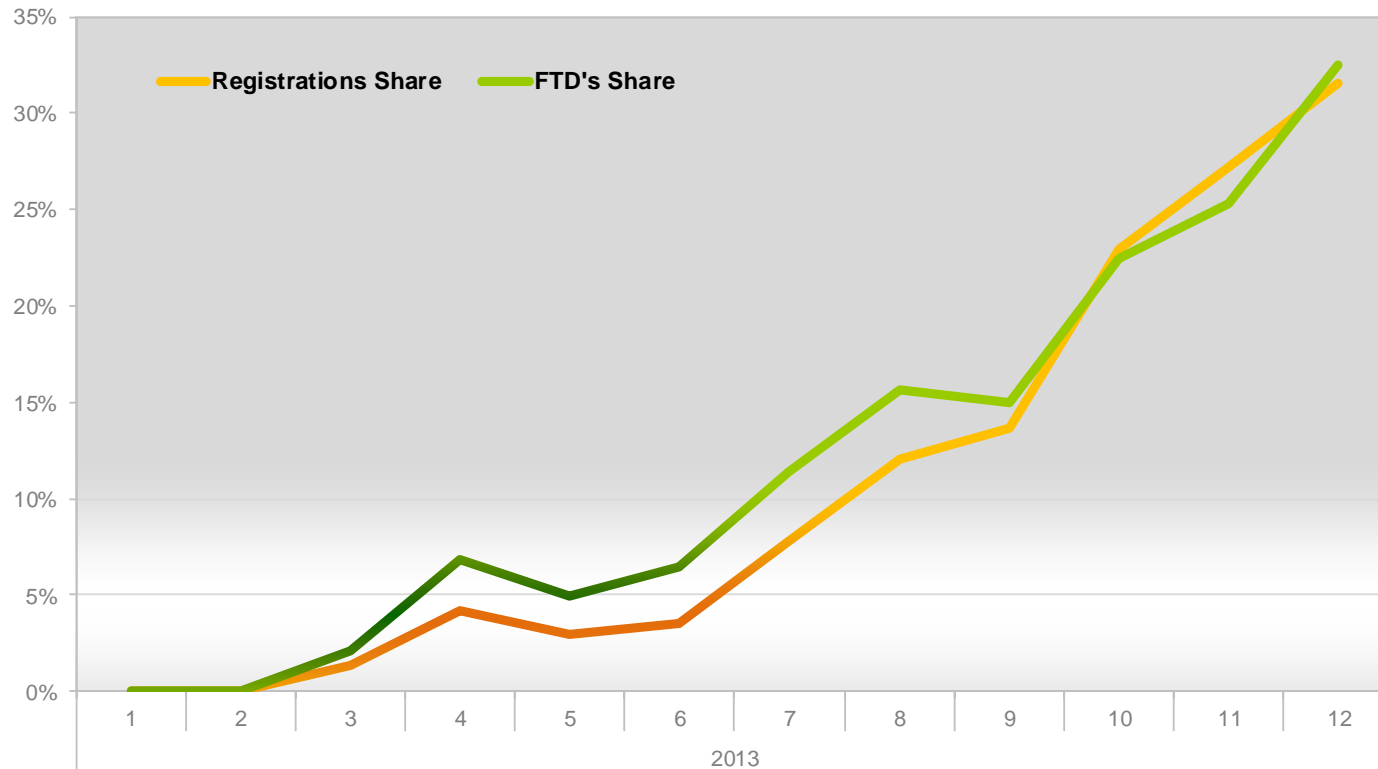
Mobile Registrations / FTD's Share in UK (ex Bingo)



*B2C Casino, Poker & Sport

MOBILE BINGO ACQUISITION IN UK

Mobile Bingo Registrations / FTD's Share in UK

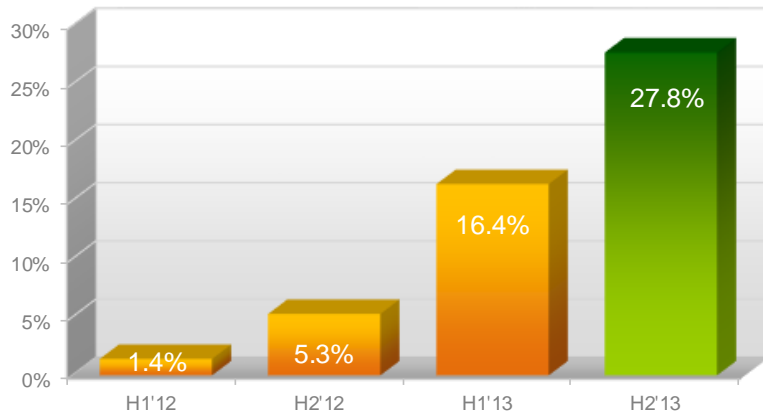


MOBILE REVENUE IN UK

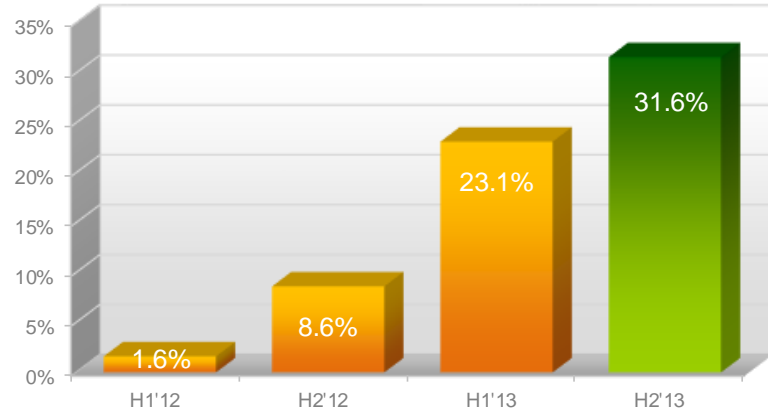
- Made a significant impact on all channels
- Own our agenda

Mobile Share in UK (ex Bingo)

Gross Gaming Revenue



New Depositors



*B2C Casino, Poker & Sport

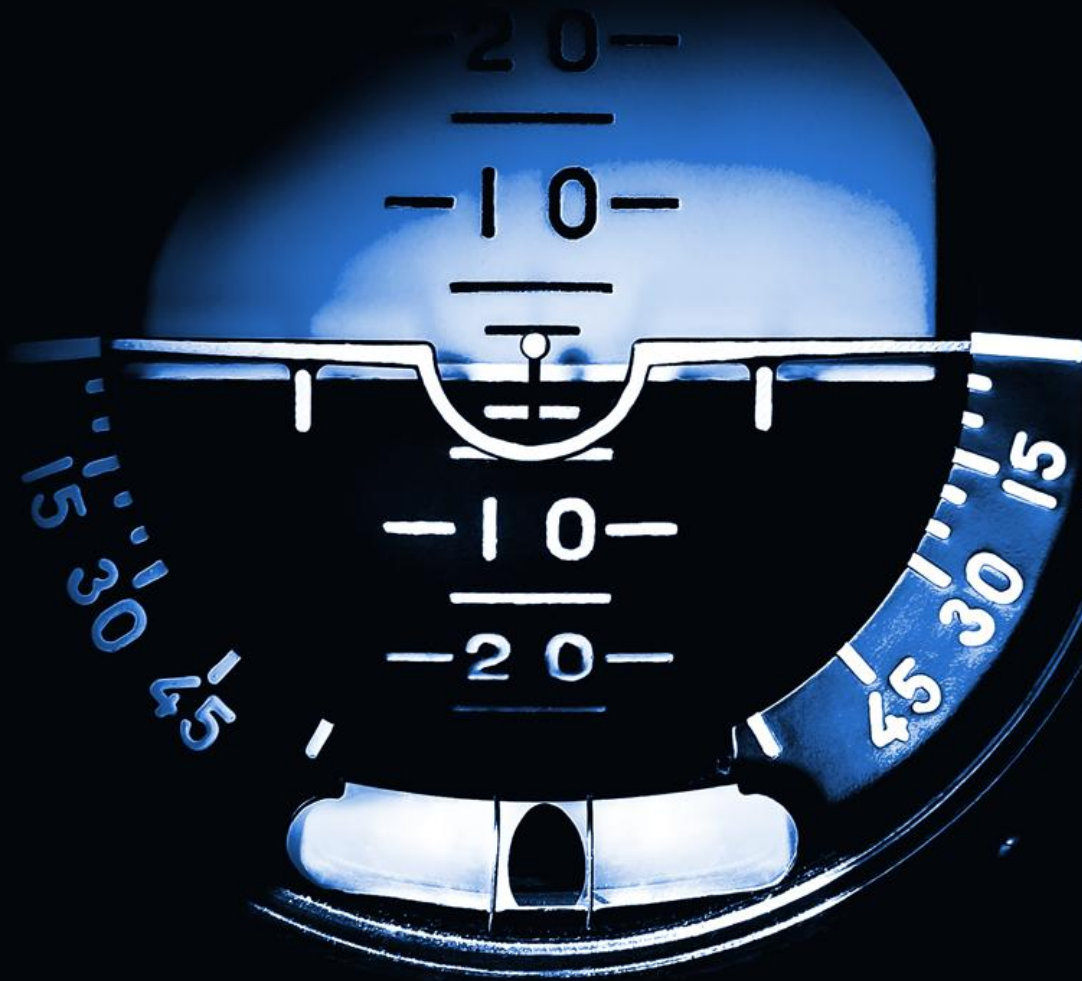
GROWING REGULATED MARKETS

REGULATION BLVD

ONE WAY

- Utilizing our regulation track record
- Leveraging our know how and assets across different regulations
- ...More to come

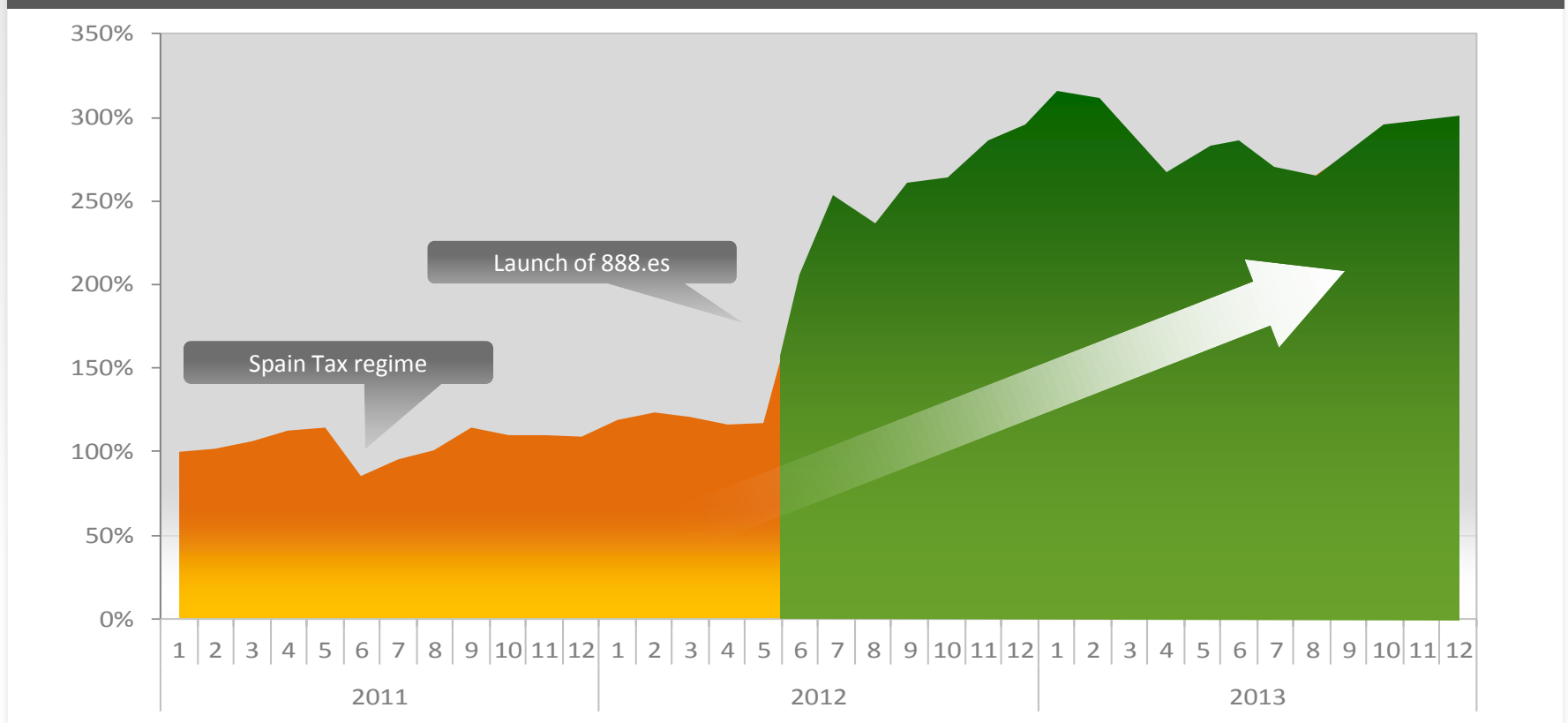
FROM PENETRATION TO STEADY STATE



888.es POKER GROSS GAMING REVENUE

- Additional products should make an impact
- Sustaining our foothold

888 Spain Poker GGR Growth



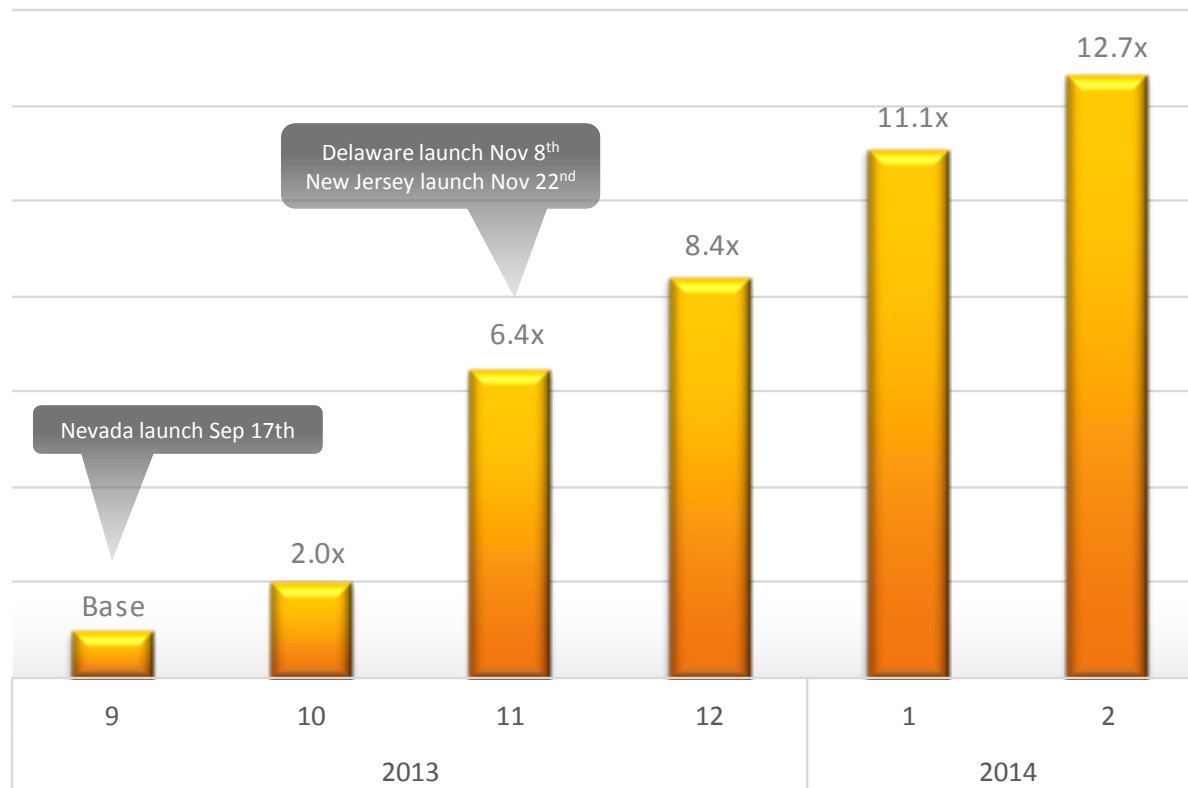


STATE OF THE UNION – USA

USA TOTAL PLATFORM GGR

- Launched 3 states in 3 months, powering multiple brands and taking the lion share in these markets
- Pole position for new states as they regulate
- Partner of choice for US companies

Casino & Poker Platform GGR in US Regulated States



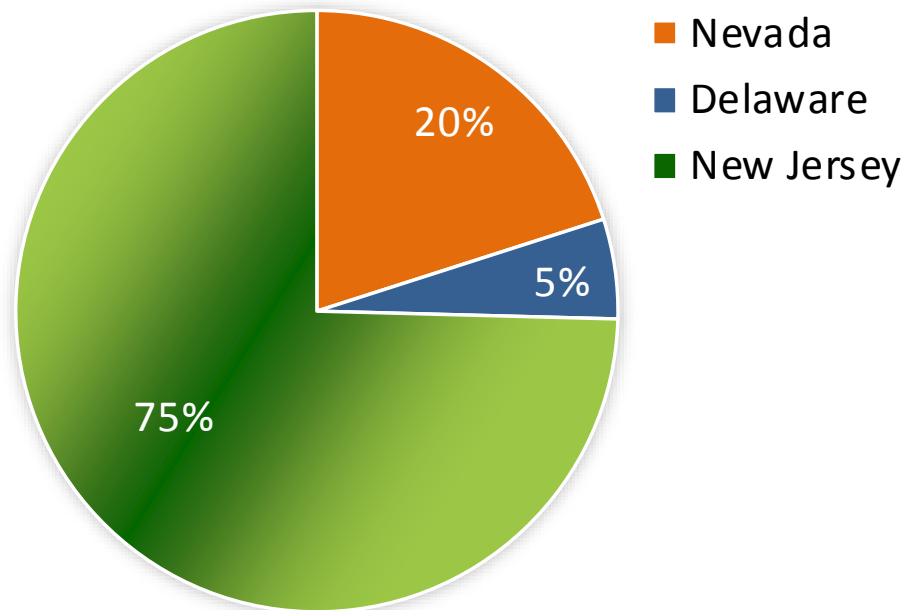
*Daily average GGR

**September 2013 as base = 100%

USA TOTAL GGR BY STATE

- Interstate compact between Nevada and Delaware – a landmark milestone
- Anticipating additional states to regulate during 2014 (launching in 2015)

Casino & Poker Platform GGR in US Regulated States



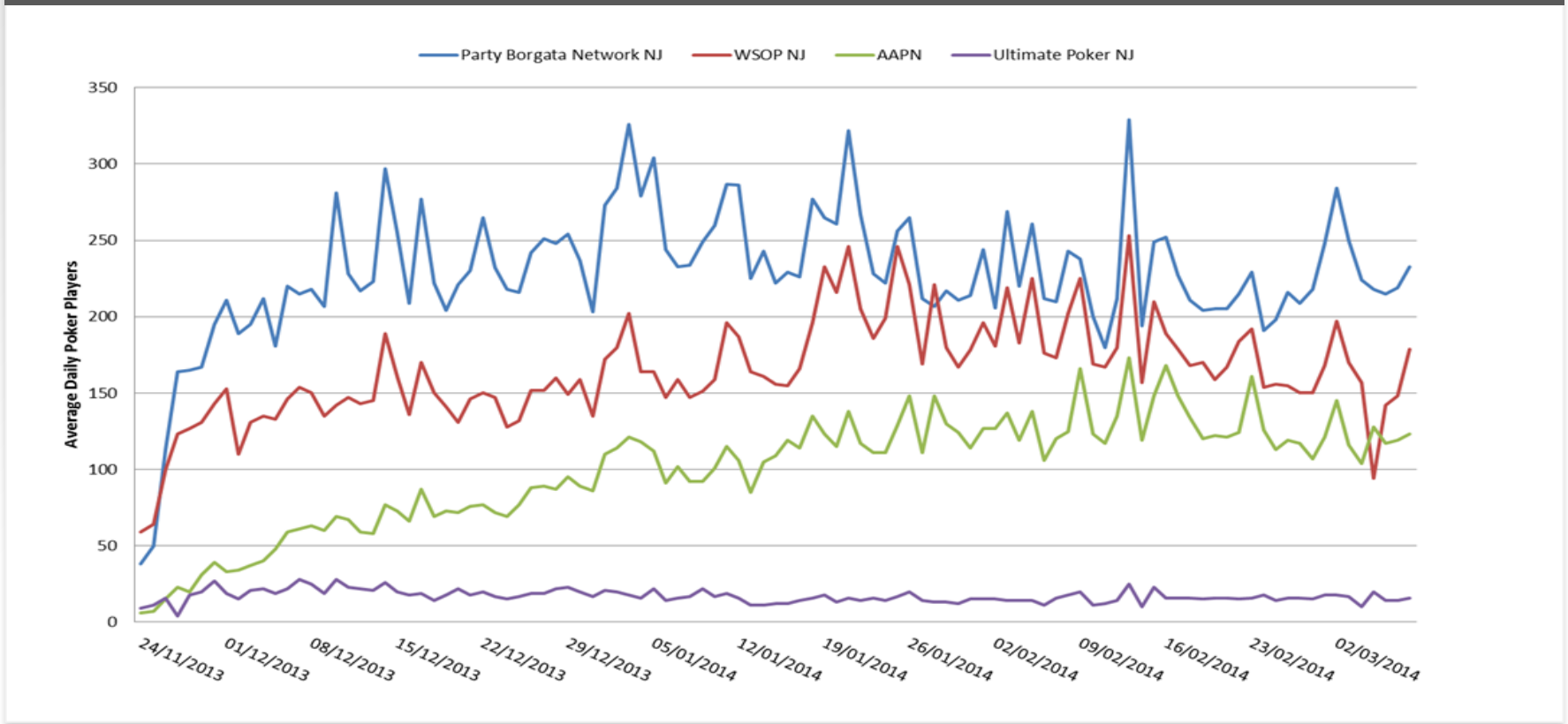
Period: As of the three deals operating together – Dec 2013

THE 888 US BRAND MAP



NEW JERSEY

NJ Cash Game Poker Market Share by Brand

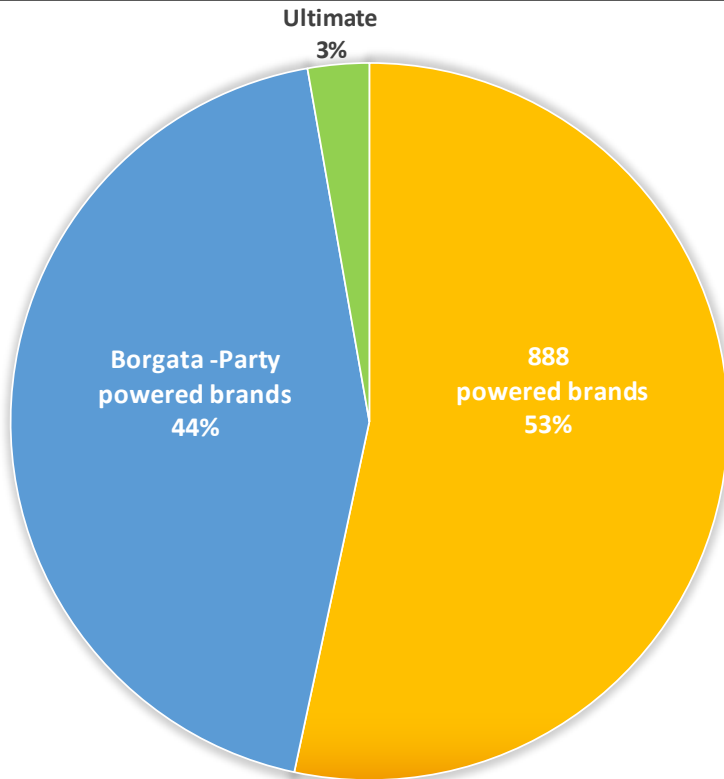


Source: Pokerscout, Mar 2014



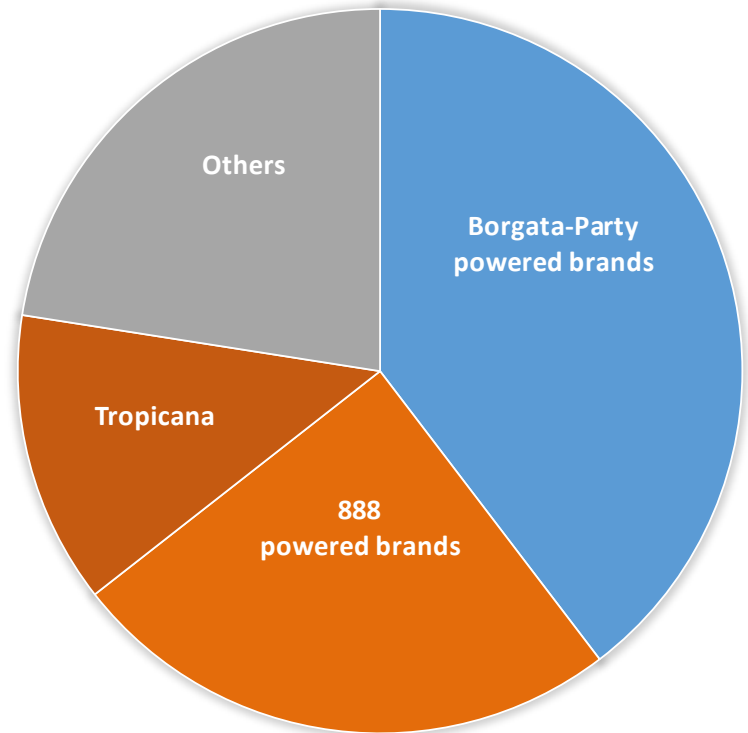
NJ TOTAL MARKET SHARE FEBRUARY 2014

POKER MARKET SHARE BY PLATFORM



Source: Pokerscout, Mar 2014 (23 days in Mar)

MARKET SIZE GGR



Source: DGE release & 888 Internal information, March 2014



ALL AMERICAN POKER NETWORK

USA



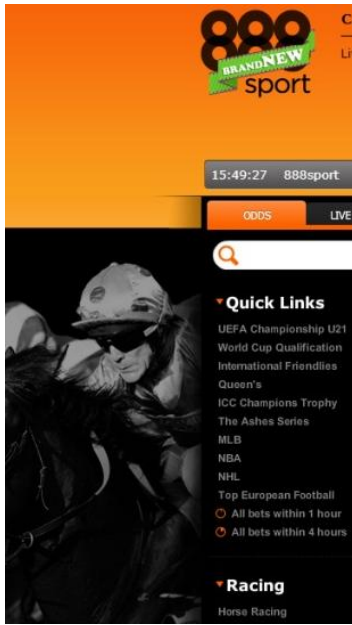
MOBILE



CORE



SPORT



REGULATED







BRIAN MATTINGLEY, CEO | SUMMARY

SUMMARY

- Exceptional year
- Loyal and committed staff
- Operationally geared
- Strong current trading
- Promising US opportunities