



# GAMINGvc

## 2008 Interim Results September 2008

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## Financial highlights

- ♠ revenue increased 20% to €26.3 million (2007: €22.0 million)
- ♠ gross margin improved to 80% (2007: 74%)
- ♠ operating profit increased 19% to €10.6 million (2007: €8.9 million)
- ♠ EBITDA increased 7% to €10.6 million (2007: €10.0 million)
- ♠ interim dividend of €0.20 per share (2007: €0.20) to be paid on 31 October 2008



## Key Performance Indicators

Daily Revenue €'000	H1 2008	H1 2007	change	H2 2007	change
Casino	<b>108</b>	115	(6)%	97	12%
Poker	<b>15</b>	8	87%	10	50%
Sports	<b>19</b>	-	n/a	9	117%
<b>Total</b>	<b>142</b>	123	15%	116	23%
New Funded players	<b>134</b>	119	13%	128	5%



## Consolidated income

to 30 June (€'million)	H1 2008	H1 2007	FY 2007
Revenue	<b>26.3</b>	22.0	42.7
Gross Profit	<b>21.1</b>	16.3	32.2
Operating profit before financing	<b>10.3</b>	8.5	16.5
EBITDA	<b>10.6</b>	10.0	19.5
Profit before tax	<b>10.5</b>	8.5	16.6
Profit for the period	<b>10.3</b>	8.5	16.6
Basic earnings per share (euro)	<b>0.33</b>	0.27	0.53
Diluted earnings per share (euro)	<b>0.32</b>	0.27	0.53



## Consolidated balance sheet

to 30 June (€'million)	H1 2008	H1 2007	FY 2007
Total non-current assets	<b>57.9</b>	57.1	56.3
Total current assets	<b>24.3</b>	15.7	20.2
Total assets	<b>82.1</b>	72.8	76.4
Total equity attributable to equity holders	<b>76.3</b>	69.7	72.0
Total liabilities	<b>5.8</b>	3.1	4.4
Total equity and liabilities	<b>82.1</b>	72.8	76.4



## Consolidated cashflow

to 30 June (€'million)	H1 2008	H1 2007	FY 2007
Net cash from operating activities	<b>10.6</b>	9.3	19.0
Net cash from investing activities	<b>(1.6)</b>	0.2	(0.2)
Dividend paid	<b>(6.1)</b>	(6.2)	(12.2)
Cash and cash equivalents at the end of the period / year	<b>18.6</b>	12.7	15.9



## Casino Club - the core business

- ♠ German volumes remain resilient 15 months after ending direct mail
- ♠ recruitment remains at historical levels through search engine optimisation and affiliate marketing
- ♠ magazine continues for VIPs
- ♠ significant improvements in customer relationship management (CRM)





## Casino - CRM / retention

- ♠ CRM hub now established in Tel Aviv
- ♠ customer service taken in-house
- ♠ lifetime values of new customers has increased
- ♠ attrition been reduced
- ♠ effective VIP loyalty scheme launched in Q2 08



## Casino - new brands

- ♠ moved to new back end operating system in June 08
- ♠ delivered improved operational management reporting tools
- ♠ facilitates integration of non BOSS products
- ♠ at least two new brands to be launched before end of financial year



## Poker

- ♠ growth mainly from the cross-sell to sportsbook customers
- ♠ standalone poker brands (CC Poker/Poker Kings) experiencing same issues as all poker operators re rakeback / US facing operators
- ♠ continued strategy to focus on cross-sell from sportsbook
- ♠ no upfront marketing investment in standalone brands



## Italian sportsbook

### Progress to date:

- ♠ Italian sportsbook been in operation for 12 months
- ♠ currently reliant on offline affiliates, which generate 95% of the volume

### Results for the six months to 30 June 2008:

Handle	€22.1 million
Gross margin (net of betting taxes)	14.9%
Bets placed	1.4 million
Average stake	€16



## Italian sportsbook - future targets

- ♠ to grow non affiliate traffic and recruit direct customers
- ♠ TV and offline marketing campaign started Sept week 2 and runs until end of year
- ♠ more focus on online affiliates
- ♠ hopeful to launch poker near end of year
- ♠ Italy forecast to break even in 2008



## Sportsbook - new territories

- ♠ partnership agreements signed for four East European territories
- ♠ go live dates in Q4 08
- ♠ marketing agreements all on revenue share and no upfront investment
- ♠ actively looking for quality partners in every major European market



## Bingo

- ♠ Spanish facing site [www.winzingo.es](http://www.winzingo.es) launched during year
- ♠ disappointing results from initial marketing strategy
- ♠ affiliate marketing efforts now being stepped up
- ♠ strategic review at end of 2008



## German legislation

- ♠ German Interstate Treaty passed in January 2008
- ♠ no operational impact to date
- ♠ all German business under Maltese licence
- ♠ Board stance that we have an EU licence and Treaty contradicts EU law





## Outlook

- ♠ Casino business resilient
- ♠ Italian volumes/recruitment encouraging for start of 08-09 football season
- ♠ management team in place significantly stronger than 12 months ago
- ♠ Q3 08 earning to date in line with market expectations



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**September 2008**

