

8 November 2011

bwin.party digital entertainment plc
(‘bwin.party’ or the ‘Company’ and, together with its subsidiaries, the ‘Group’)

**Interim Management Statement and
Third Quarter 2011 Pro forma Key Performance Indicators**

This is an interim management statement for the period from 1 July 2011 until 7th November 2011.

Third quarter highlights

- **Solid third quarter performance driven by strong growth in casino, new games in Italy and improved competitive position in dotcom poker**
- **Total pro forma revenue¹ up 3% to €201.1m (2010: €194.7m); average daily revenue up 8% versus the previous quarter**
- **Current trading remains robust, up 9% versus Q3 and in-line with management’s expectations**
- **Ongame sale expected to complete by the end of the year**
- **Merger synergies remain on course - €40m in 2012 and €65m in 2013**
- **Preparation for entry into Denmark and Spain on-track**
- **US strategy in place with MGM and Boyd**

Commenting on today’s announcements, Jim Ryan and Norbert Teufelberger, Co-CEOs said:

“Trading remained solid in the third quarter thanks to the launch of new games in Italy on 18 July 2011 as well as the interim closure of Full Tilt Poker, both of which have been positive for poker and casino revenues in the period. During the first few weeks of the fourth quarter, average daily revenues have remained robust and in-line with our expectations.

“The regulatory landscape continues to evolve and we are on-track to launch new regional labels in both Spain and Denmark on 1 January 2012. In Germany, we welcome the revised proposal from the Minister Presidents that seeks to open the online sports betting market. Although the proposal falls short of the requirements prescribed by the European Court of Justice, we remain optimistic that changes can and will be made so that the regime becomes fully compliant and will foster a vibrant regulated market. In the meantime we are preparing to secure a license in Schleswig-Holstein, the most northern state in Germany that has already enacted legislation that has been cleared by the European Commission.

“In the United States, momentum continues to build at both a federal and state level and as a result we recently announced our US strategy with MGM and Boyd, two of

¹ Includes €5.4m (2010: €5.2m) of net revenue from network services, payment services, domain sales, World Poker Tour and InterTrader.com

the pillars of the US land-based gaming industry and are preparing to enter into a preliminary suitability review with the Nevada Gaming Control Board.

“While the effects of regulatory changes are difficult to predict, we remain on-track to deliver our merger synergies as previously communicated, our planned sale of Ongame is on-track, we have a healthy balance sheet and remain confident about the Group’s full year prospects.”

Pro Forma Consolidated Key Performance Indicators (Excluding Other Revenues)

Three months to 30 September	2011	%	%	2010
		<i>change versus Q2 2011</i>	<i>change versus Q3 2010</i>	
Active player days (m)	20.3	0%	(4%)	21.2
Daily average players (000)	220.7	(1%)	(4%)	230.4
Yield per active player day (€)	9.6	9%	8%	8.9
Yield per unique active player in the quarter (€)	112.7	8%	9%	103.3
Real money sign-ups (000)	430.4	6%	(6%)	457.7
Unique active players during the period (000)	1,736.2	1%	(5%)	1,833.7
Net revenue (€m)	195.7	9%	3%	189.5
Average net daily revenue (€000)	2,127.2	8%	3%	2,059.8

Total pro forma net revenue was up 3% year-on-year and up 9% quarter-on-quarter with a particularly strong performance in casino & games and a much improved poker result, partially offset by a softer performance in bingo. Sports revenues were up strongly on the previous quarter but down year-on-year as 2010 benefited from the final phase of the FIFA World Cup tournament.

Other revenue increased by 4% year-on-year and by 13% quarter-on-quarter reflecting a strong performance from World Poker Tour. Total average net daily revenue including other revenue increased by 3% year-on-year and by 8% quarter-on-quarter to €2,185,900 (2010: €2,116,300).

Across all product verticals, the Group added 430,400 new sign-ups during the quarter which while down on the prior year, was 6% up on the previous quarter (Q2 11: 405,700) reflecting the launch of new products in Italy. The number of daily average players was down 1% versus the previous quarter but down 4% year-on-year driven by the competitive challenges in poker that had impacted previous quarters as well as the absence of the FIFA World Cup.

In sports betting, net gaming revenue was up 11% versus the previous quarter at €60.2m although this was lower than that achieved in the prior year (2010: €64.8m). The amount wagered, at €903.5m (2010: €911.5m), was flat versus the previous quarter but down 1% versus the prior year which benefitted from the FIFA World Cup. During the period we extended our live betting offer and also launched a series of leaderboard promotions in September, enabling customers to win bonus rewards on the basis of their betting success. While overall player activity in the form of active player days was flat year-on-year we saw the benefit of the start of the football season with an increase of 7% quarter-on-quarter. Player yields increased by 5% quarter-on-quarter with a return to a more normalised gross win margin of 7.6%, although this was still lower than the 8.1% achieved the previous year. As a result, average daily revenue in sports betting was down 7% year-on-year but up 10% quarter-on-quarter at €654,300 (2010:€704,300).

Casino & other games delivered another outstanding performance in the period with net revenue up 15% versus the previous quarter and 25% year-on-year to €68.6m (2010: €54.9m). The total amount wagered increased by 4% quarter-on-quarter and 6% year-on-year to €1,959.6m (2010: €1,841.8m). Our focus on innovation continued during the period with the launch of seven new games including the *Jailbreak Raffle* jackpot slot, a completely new type of jackpot game that is proving popular with our casino players. Casino player numbers increased by 14% year-on-year reflecting the continued improvement in the number and quality of games as well as the launch of casino games in Italy that took place on 18 July 2011. Average yield per active player day increased by 10% to €27.4 (2010: €25.0) reflecting an increase in hold to 4.1% (2010: 3.6%) and the improved mix of games and lower player bonuses. As a result average daily revenue was up 25% to €745,700 (2010: €596,700), a 14% increase over the previous quarter.

In poker, the shift in the competitive environment and the launch of new products in Italy has delivered a marked improvement in the recent trend. Other developments in the period included the launch of no-fee multi-table tournaments during the month of July and the launch of a new client for Apple Mac users in September. Net revenue increased by 3% quarter-on-quarter to €52.3m which was broadly flat versus the previous year (2010: €52.5m). While active player days fell by 10% year-on-year to 8.5m (2010: 9.4m) reflecting the challenging competitive conditions in global dotcom poker, the seasonal decline in player activity was partly mitigated by a strong performance in Italy and the interim closure of Full Tilt on 29 June. As a result of these two factors, yield per active player day increased by 9% quarter-on-quarter and by 11% year-on-year to €6.2 (2010: €5.6). Our position in both Italy and France remains strong with an estimated combined market share of over 15% in both markets. Taken together, the net impact of these movements was that average daily poker revenue increased by 2% versus the previous quarter to €568,500 which was marginally below that achieved in the same period in 2010 (2010: €570,700).

The third quarter followed the normal seasonal pattern in bingo with total revenue down 1% versus the previous quarter to €14.6m. New player sign-ups were down significantly year-on-year reflecting an increasingly competitive market in the UK and a loss of market share in Italy that took place earlier in the year. As a result, total third quarter revenue was down 16%. With our planned launch into Spain at the beginning of 2012 we expect to return bingo to growth and are excited about expanding into this large and soon-to-be regulated market.

Other revenue totalled €5.4m in the period, an increase of 13% versus the previous quarter and up 4% on the prior year (2010: €5.2m) driven by a strong performance from the World Poker Tour.

Current trading and outlook

Average daily gross revenue (excluding other revenue and excluding bonuses and other fair value adjustments to revenue) in October was up 9% versus the previous quarter at €2,899,200 (Q3 11: €2,661,100) which is in-line with management's expectations and reflects a particularly strong performance in sports betting although all products delivered growth versus the third quarter. Average gross daily revenue for sports betting was up 25% to €933,300 (Q3 11: €744,600), poker was up 1% to €728,400 (Q3 11: €721,700), casino & other games was up 1% to €877,200 (Q3 11: €869,600) and bingo was up 11% to €360,300 (Q3 11: €325,200).

Whilst the macroeconomic outlook in Europe remains uncertain, the Group's trading performance remains on-track and we remain confident about the full year result. Our integration plans are also progressing well and while the regulatory landscape in Germany and Greece remain unclear, we look forward to both Denmark and Spain

opening in 2012 and are on-course to deliver the previously announced synergies of €40m in 2012 and €65m in 2013.

Material Events, Transactions and Financial Position

As at 30 September 2011, the Group had cash (and cash equivalents) plus short-term investments of €331.9m, processor receivables of €43.5m, less bank borrowings of €33.3m and client liabilities (including progressive prize pools) of €163.0m resulting in net company cash of €179.1m.

Up to 30 September 2011 the Group had repurchased a total of 4,677,041 ordinary shares at an average price of 121.47p per share, as part of its share buyback programme that commenced on 6 September. A dividend amounting to €14.9m was paid to shareholders on 7 October 2011.

On 1 November 2011 the Group announced its strategy with regards to the US real money online poker market should suitable legislation be enacted at either a federal or state level. Central to that strategy is the execution of an extensive collaboration with two of the leading land-based gaming operators in the US: MGM Resorts International ('MGM') and Boyd Gaming Corporation ('Boyd'). The Group is also planning to commence a preliminary suitability review process with the Nevada Gaming Control Board.

There have been no material events, transactions or changes in the financial position of the Group since the 2011 half year results were announced on 31 August 2011 other than as outlined in this statement.

Full details of all of the Group's quarterly KPI data by segment as well as historic pro forma financial information for the years 2008-2010 will be made available for download at the Group's website at <http://www.bwinparty.com> later today.

Conference call

Tuesday 8 November 2011

For analysts and investors there will be an opportunity to put questions to Jim Ryan and Norbert Teufelberger, Co-CEOs, and Martin Weigold, CFO, by way of a conference call at 09.30 (GMT). The details of the call are as follows:

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Appendix I
Pro forma Key Performance Indicators
Sports Betting
Three months to 30 September

	2011	% change versus Q2 2011	% change versus Q3 2010	2010
Active player days (m)	9.7	7%	0%	9.7
Daily average players (000)	105.4	5%	0%	105.4
Yield per active player day (€)	6.2	5%	(7%)	6.7
Yield per unique active player in the quarter (€)	64.4	5%	(2%)	65.4
Real money sign-ups (000)	168.1	4%	(7%)	181.1
Unique active players during the period (000)	935.4	7%	(6%)	991.1
Net revenue (€m)	60.2	11%	(7%)	64.8
Average net daily revenue (excluding skins) (€000)	654.3	10%	(7%)	704.3

Casino & Other Games
Three months to 30 September

	2011	% change versus Q2 2011	% change versus Q3 2010	2010
Active player days (m)	2.5	4%	14%	2.2
Daily average players (000)	27.2	3%	14%	23.9
Yield per active player day (€)	27.4	10%	10%	25.0
Yield per unique active player in the quarter (€)	156.0	6%	18%	132.1
Real money sign-ups (000)	33.8	5%	10%	30.8
Unique active players during the period (000)	439.7	9%	6%	415.7
Net revenue (€m)	68.6	15%	25%	54.9
Average net daily revenue (excluding skins) (€000)	745.7	14%	25%	596.7

Poker
Three months to 30 September

	2011	% change versus Q2 2011	% change versus Q3 2010	2010
Active player days (m)	8.5	(6%)	(10%)	9.4
Daily average players (000)	92.4	(7%)	(10%)	102.2
Yield per active player day (€)	6.2	9%	11%	5.6
Yield per unique active player in the quarter (€)	69.8	9%	8%	64.5
Real money sign-ups (000)	191.6	13%	1%	189.0
Unique active players during the period (000)	748.8	(6%)	(8%)	813.7
Net revenue (€m)	52.3	3%	(0%)	52.5
Average net daily revenue (excluding skins) (€000)	568.5	2%	(0%)	570.7

Bingo
Three months to 30 September

	2011	% change versus Q2 2011	% change versus Q3 2010	2010
Active player days (m)	2.0	(9%)	(9%)	2.2
Daily average players (000)	21.7	(10%)	(9%)	23.9
Yield per active player day (€)	7.3	9%	(8%)	7.9
Yield per unique active player in the quarter (€)	74.3	7%	(7%)	80.3
Real money sign-ups (000)	36.9	(13%)	(35%)	56.8
Unique active players during the period (000)	196.6	(7%)	(9%)	215.4
Net revenue (€m)	14.6	(1%)	(16%)	17.3
Average net daily revenue (excluding skins) (€000)	158.7	(2%)	(16%)	188.0