



RESULTS FOR THE YEAR ENDED

31 DECEMBER 2014

AGENDA

Brian Mattingley | Introduction

Aviad Kobrine | Financial Review

Itai Frieberger | Operational Review

Brian Mattingley | Summary

Q&A

SUMMARY OF 2014 RESULTS

- Revenue up **14%** to **\$455m** (2013: \$401m)
- Adjusted EBITDA¹ up **33%** to **\$101m** (2013: \$76m)
- Adjusted EBITDA margin¹ at **22.1%** (2013: 18.9%)
- PBT (net of finance) **\$72.3m** up **34%** (2013: \$54m)
- Adjusted EPS¹ **19.2c**, **16%** growth (2013: 16.6c)
- Generated **\$112m** cash from operating activities, an increase of **24%**
- Final Dividend of **4.5c** per share (2013: 4.0c), **8.0c** for the year (2013: 7.0c) plus a special dividend of **7.0c** (2013: 7.0c), representing a total of **15.0c** (2013: 14.0c)

¹ As defined in the 2014 yearly Report.

2014 THE STORY OF GROWTH

- Growth through volume
- How?
 - Strong marketing and CRM
 - Superior technology
 - Leading mobile platform
 - Exploited sports opportunity
 - Continued to upgrade core products
- We remain a consistent out-performer

2015 THE YEAR AHEAD

- Challenges
 - External fiscal policies (POC and VAT)
 - Status of US online gaming
 - Impact of industry consolidation
 - Forex headwind
- Opportunities
 - In-fill acquisitions
 - New licences and regulation
 - Spanish slots
 - Sports in Italy
- We are best placed for growth



AVIAD KOBRINE, CFO | FINANCIAL REVIEW

PROFIT AND LOSS ACCOUNT¹

\$m	2014	2013	% Change
Revenue	454.7	400.5	14%
Operating expenses ^{2,3}	146.1	127.8	
Research and development expenses	40.7	30.7	
Selling and marketing expenses	133.8	139.9	
Administrative expenses ⁴	33.4	26.5	
Adjusted EBITDA^{3,4}	100.7	75.6	33%
<i>% of Revenues</i>	22.1%	18.9%	
Depreciation, Amortisation and Impairment charges	19.0	13.9	
Share benefit charges and other	1.6	3.6	
Share of Joint Ventures loss	7.7	4.1	
Profit Before Tax and Finance	72.3	54.0	34%
Finance (FX and others)	4.5	0.9	
Profit Before Tax	67.9	53.2	28%
Taxation	11.0	3.2	
Profit after tax	56.9	50.0	
Adjusted EPS⁵	19.2 ¢	16.6 ¢	16%

¹ Totals may not sum due to rounding.

² Excluding depreciation of US\$9.0 million (2013: US\$8.3million) and amortisation of US\$8.3 million (2013: US\$5.6 million).

³ Excluding impairment charges of US\$1.7 million (2013: nil)

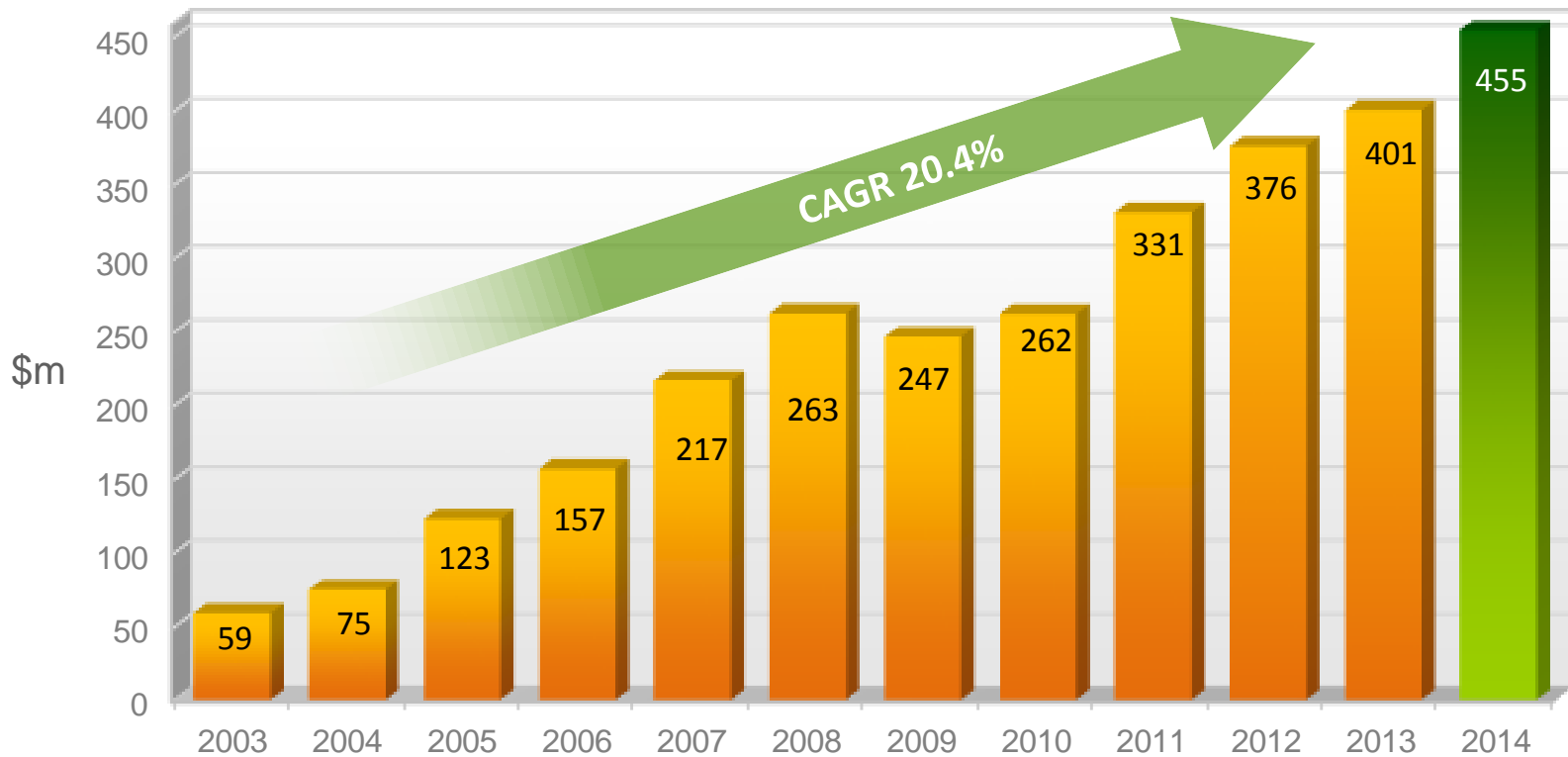
⁴ Excluding share benefit charges of US\$1.7 million (2013: US\$5.5 million)

⁵ As defined in note 8 to the financial statement

GROUP REVENUE

- Revenue up **14%** to **\$455m** (2013: \$401m)
- 20% CAGR from 2003, with a fifth consecutive year of growth
- Strong core products performance, led by Casino

Revenue* 2003 – 2014(\$m)

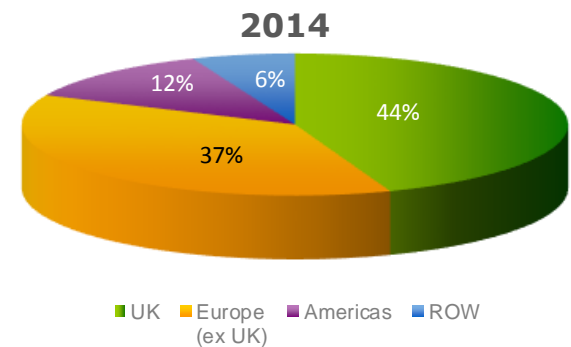
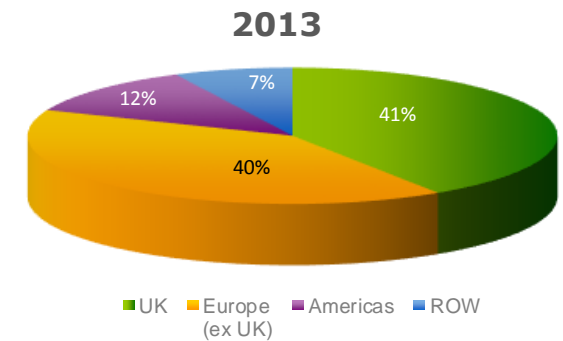
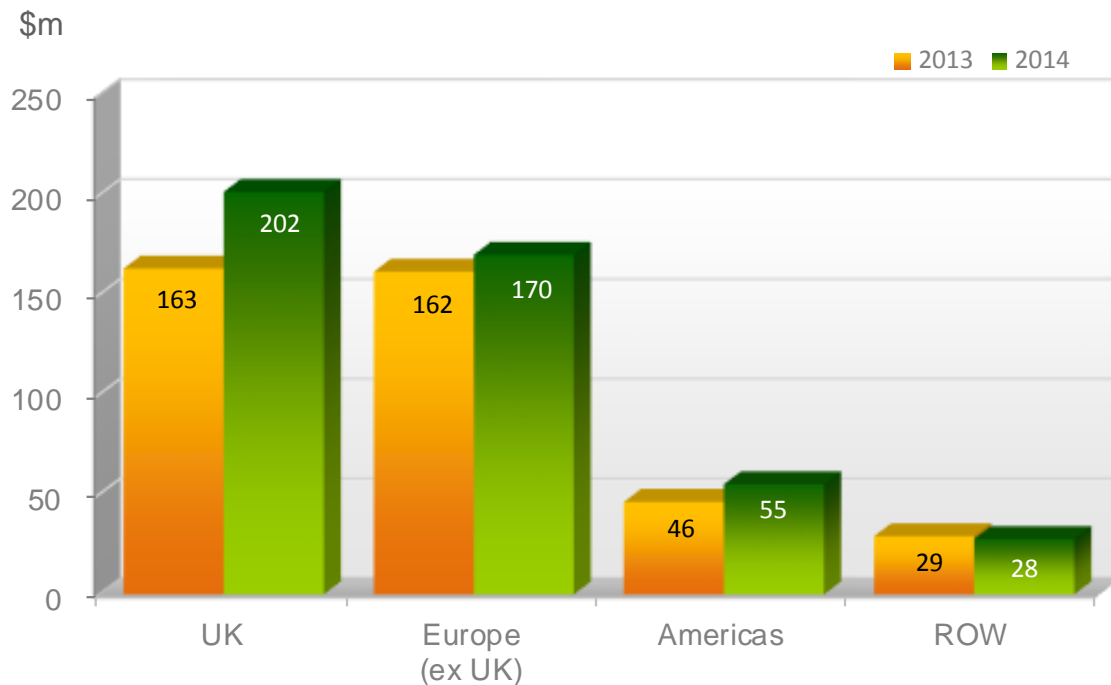


*Continued operations

GEOGRAPHICAL SEGMENTATION

- Revenue growth in UK **23%**, Europe (ex. UK) **5%**, Americas **19%**, ROW down 5%
- UK growth across products, driven by mobile success and Bingo recovery

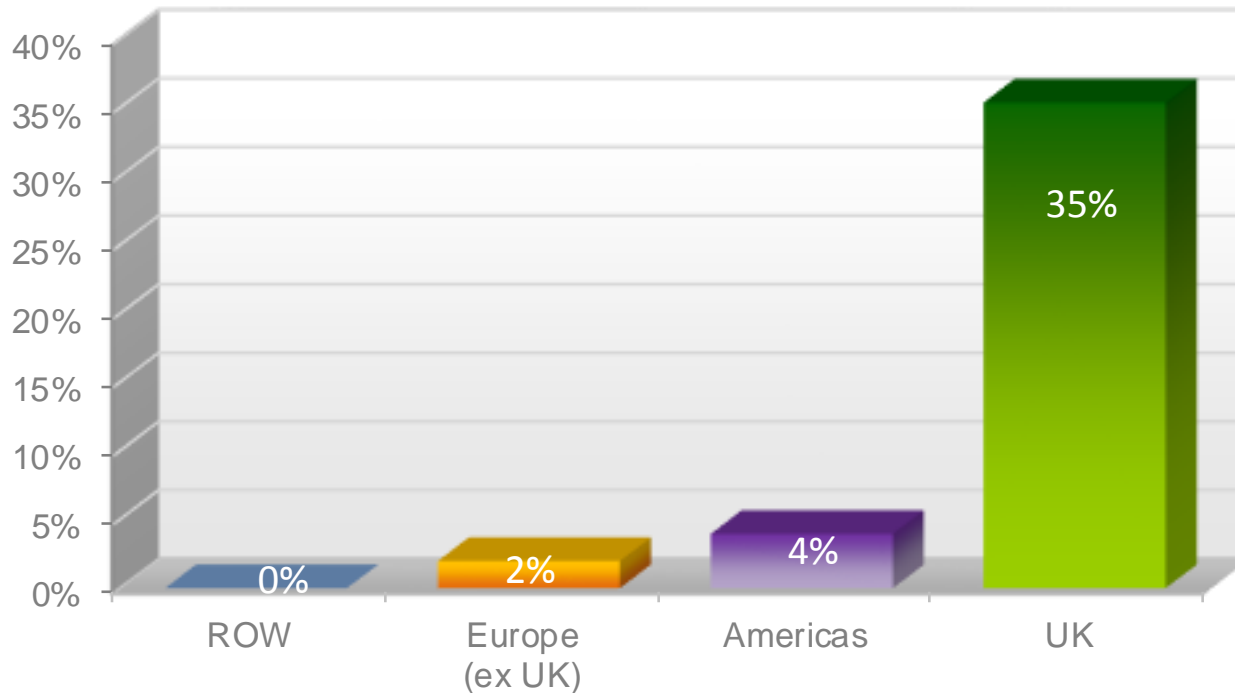
Geographic segmentation, Revenue 2013 and 2014



GROWTH BY REGION

- Growth across most regions
- UK dominance in 2014, boosted by strong mobile penetration

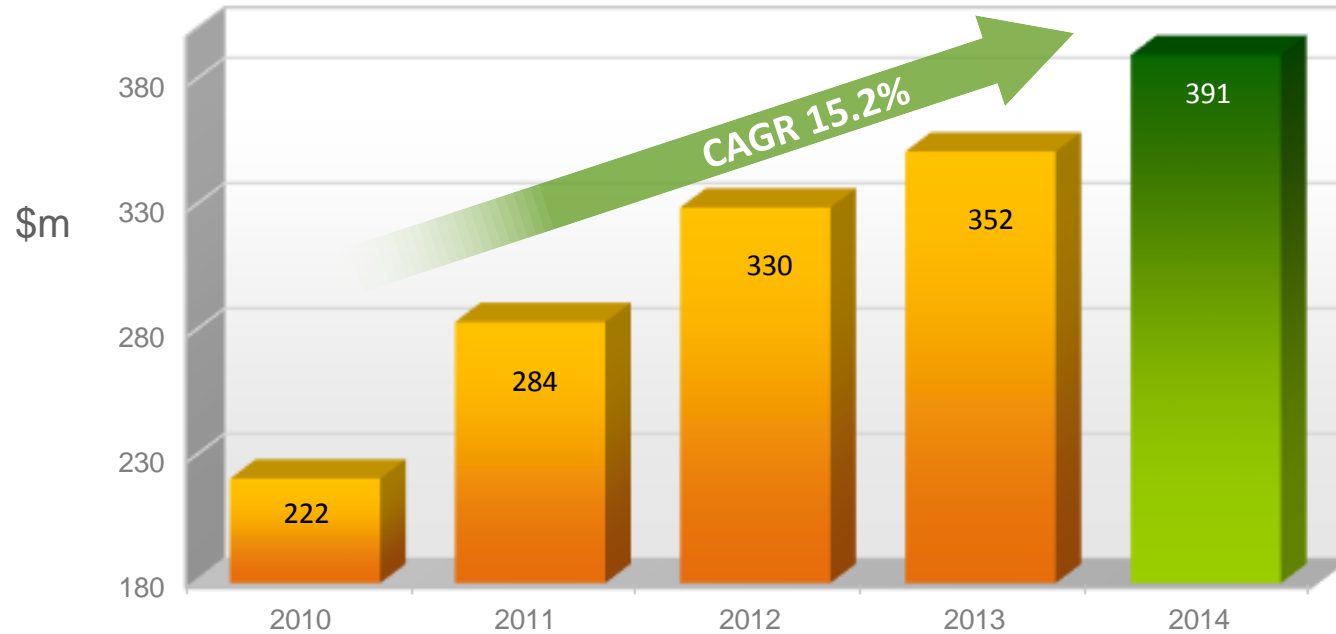
Casino & Poker B2C Revenue Growth in 2014 vs. 2013



REVENUE B2C

- 2014 revenue up **11%** to **\$391m** (2013: \$352m)
- 15% CAGR since 2010
- Strong FIFA World Cup in June/July

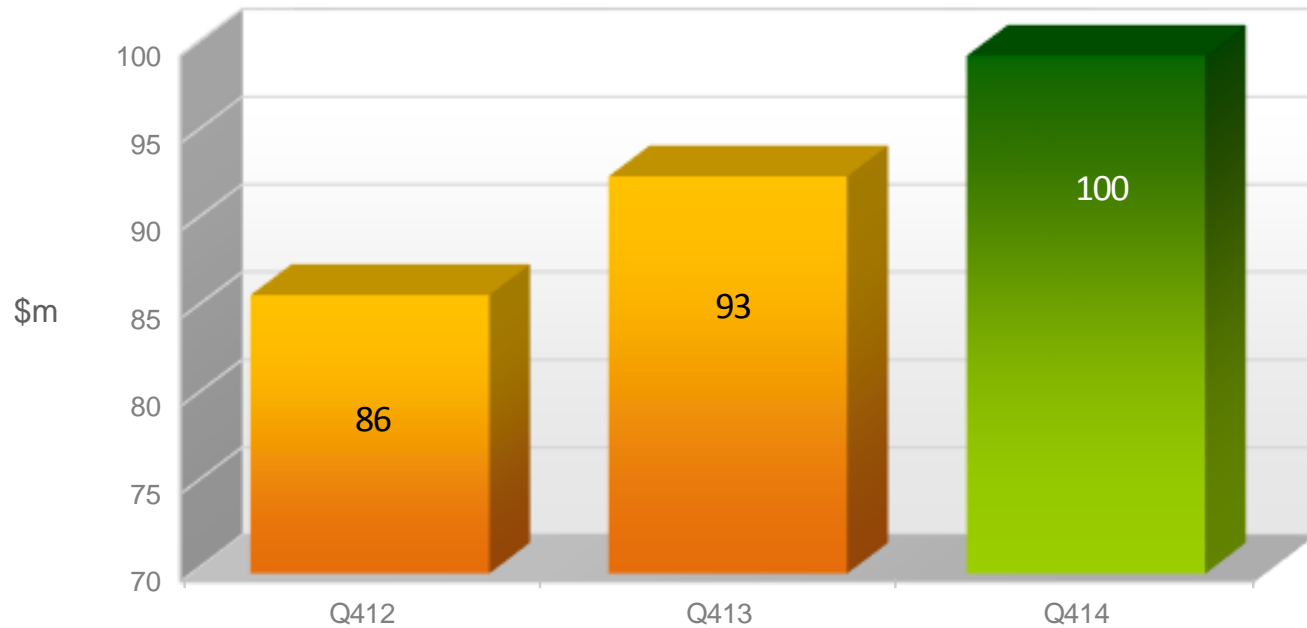
Revenue B2C 2010 – 2014 (\$m)



REVENUE B2C

- Q4 14 revenue up **7%** to **\$100m** against previous record Q4 13 (Q4 13: \$93m)

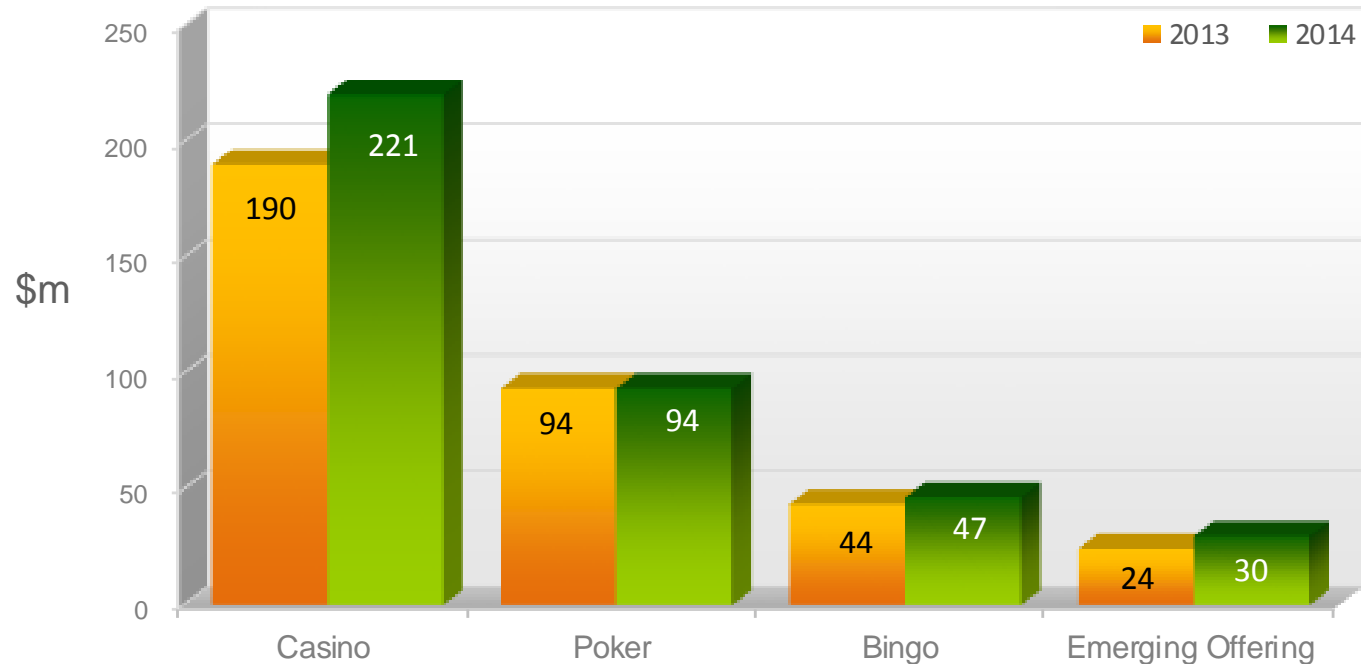
Revenue B2C Q4 2012-2014 (\$m)



REVENUE B2C BY PRODUCT

- Another strong result for Casino - leading revenue growth
- Bingo recovery, robust Poker, accelerating Sport
- Casino up **16%**, Poker flat, Bingo up **7%**, Emerging Offering up **22%**

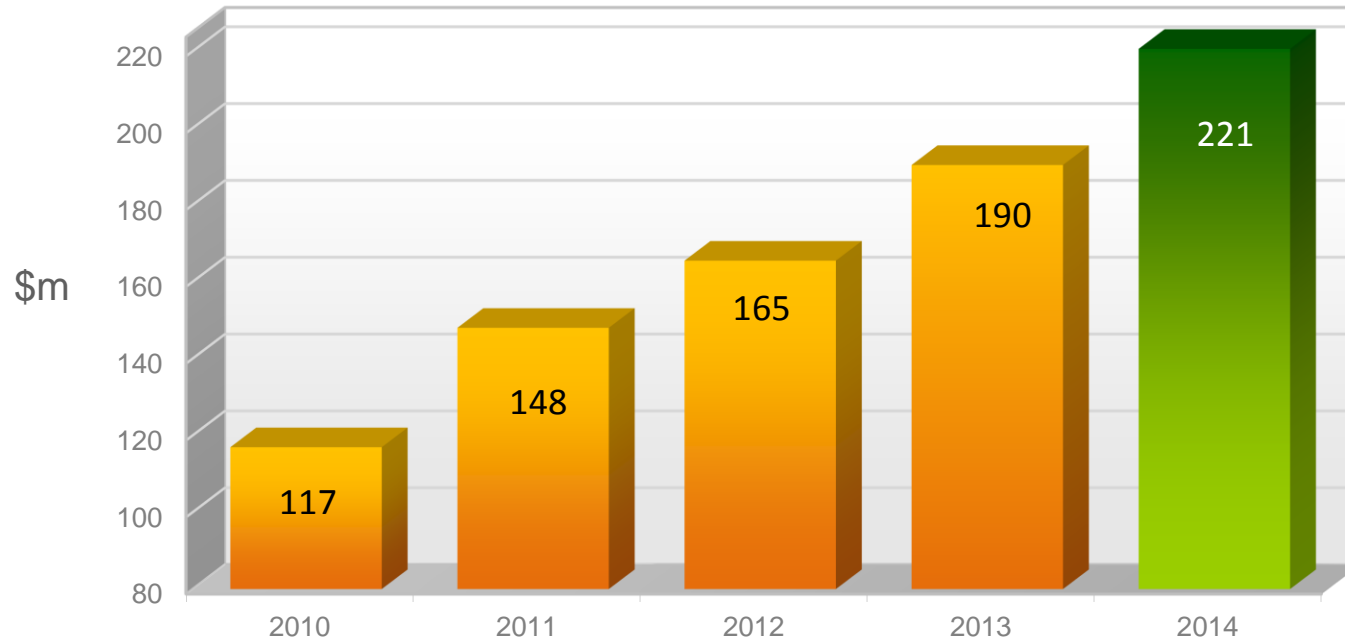
Revenue B2C 2014 vs. 2013 (\$m)



REVENUE CASINO B2C

- 2014 revenue up **16%** to **\$221m** (2013: \$190m)
- An outstanding year for Casino, leveraging rich offering and CRM efforts into continuous growth and higher player value

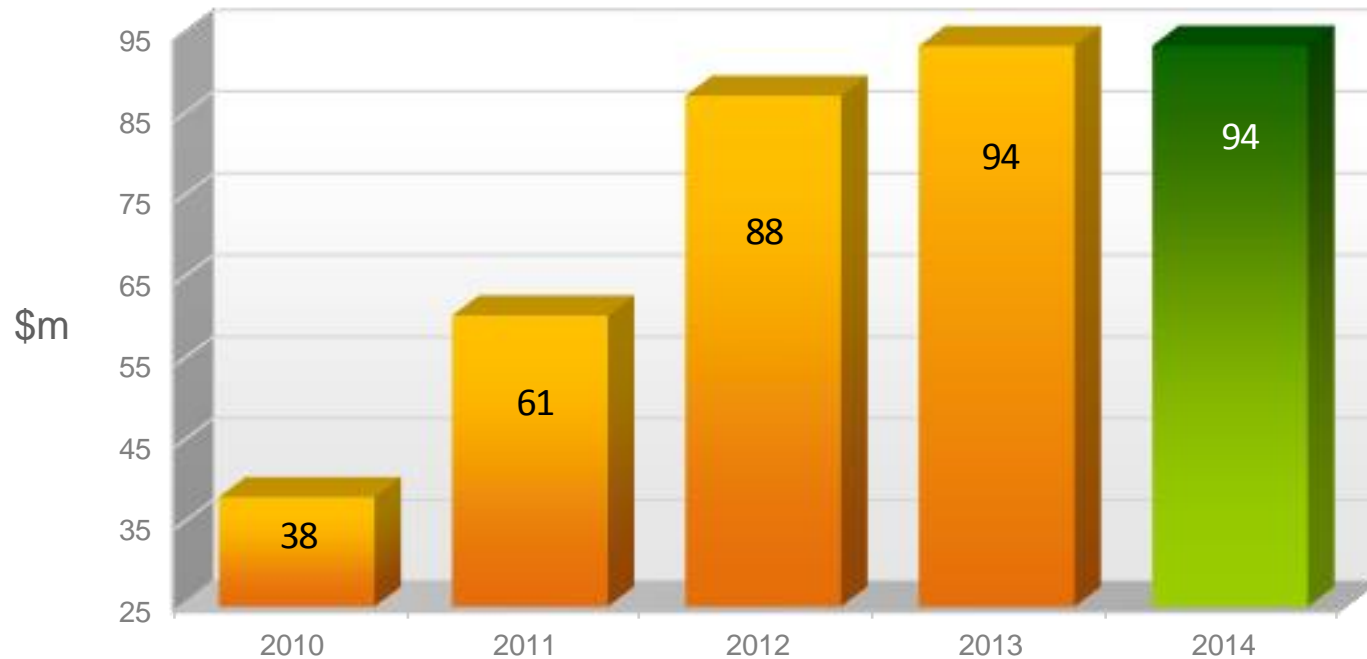
Revenue Casino B2C 2010 – 2014(\$m)



REVENUE POKER B2C

- Robust Poker performance in a mature market
- 2014 revenue stable at **\$94m** (2013: \$94m)
- Strengthened No. 2 position in global poker rankings*

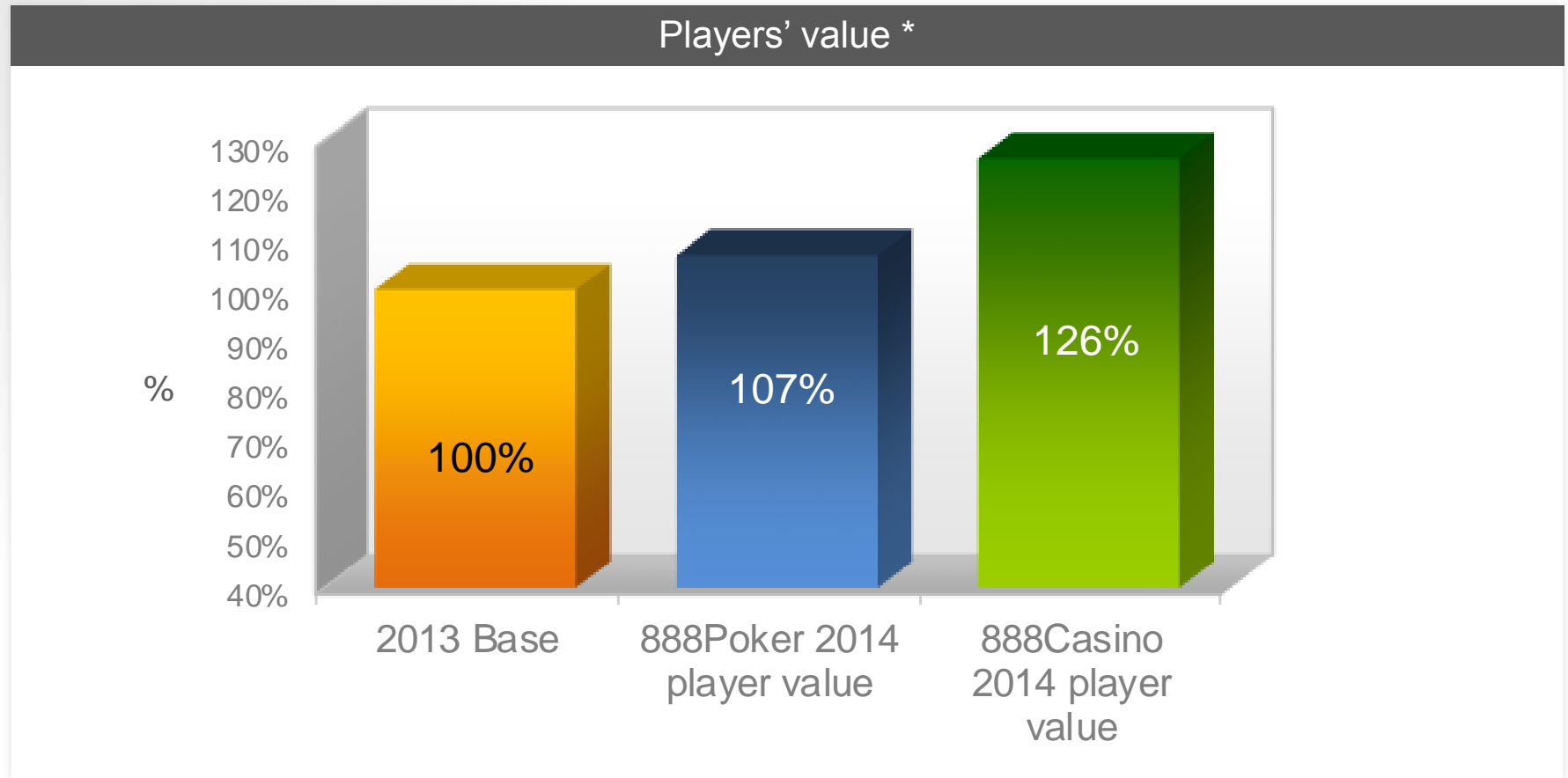
Revenue Poker B2C 2010 – 2014 (\$m)



* Source Pokerscout.com March 2015

PLAYER VALUE

- Increased quality of revenue across verticals



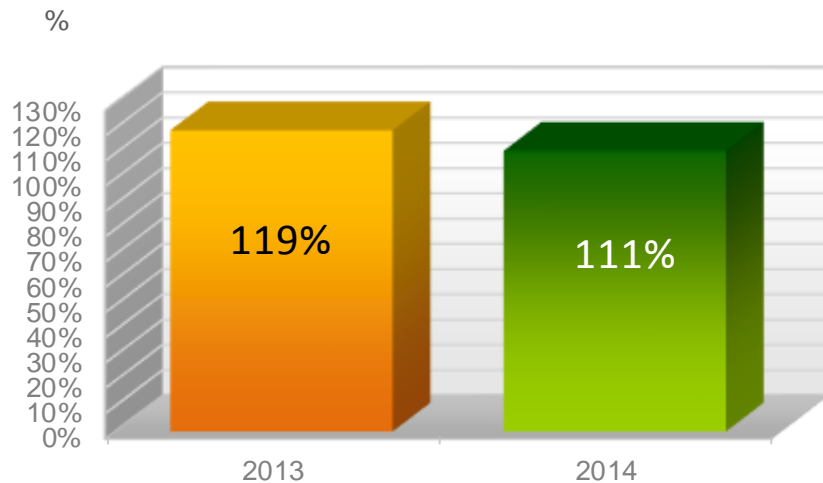
* GGR base, for all players recruited during Jan-Nov average first 3 month value

CASH FROM OPERATIONS

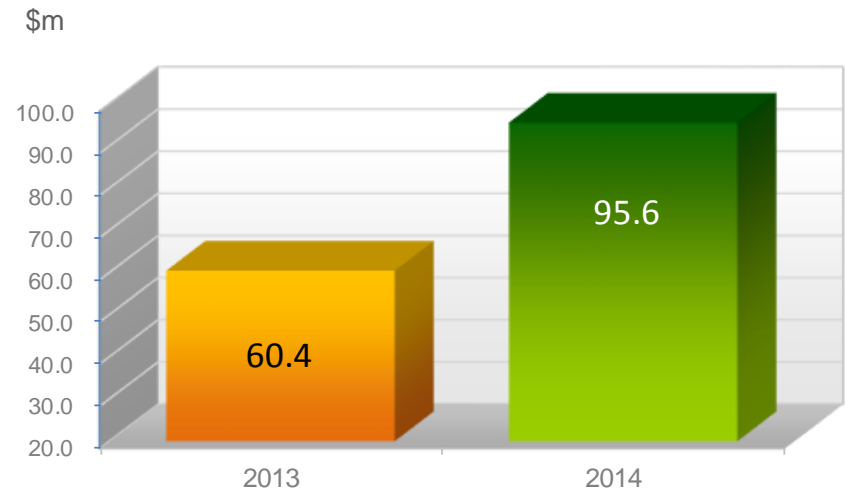
- High conversion of cash remains, **111%** of Adjusted EBITDA (2013: 119%)
- Corporate cash net of customer deposits increased **58%** to \$96m (2013: \$60m)

Cash position 2014 vs. 2013

Cash from operations (% of adj. EBITDA)



Corporate cash net of customer deposits

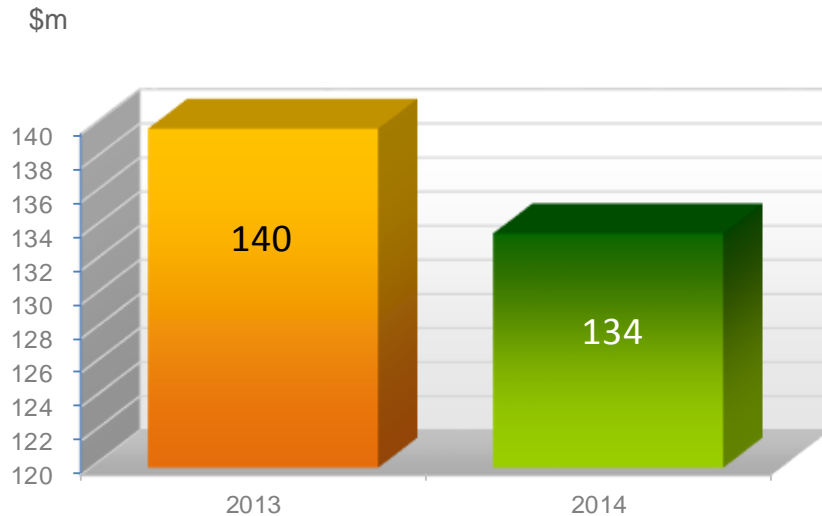


MARKETING COST RATIO

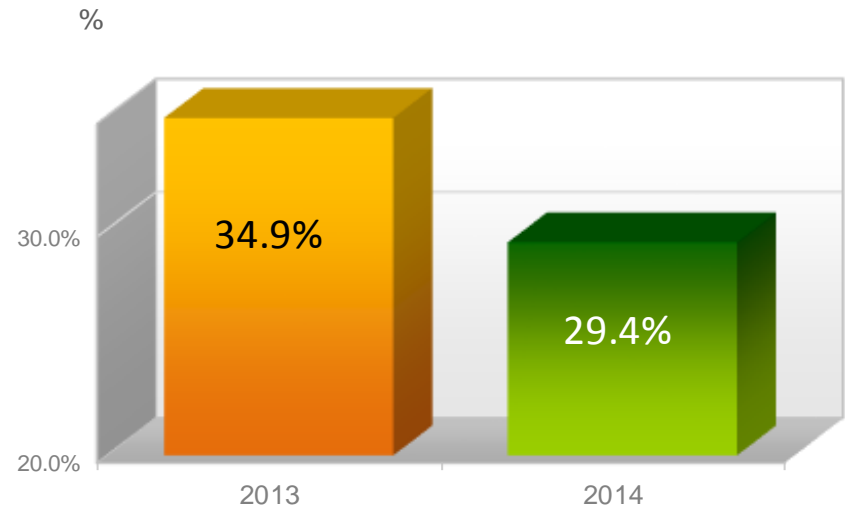
- A decrease of marketing spend both in ratio and absolute, driven by targeted acquisition and return to cost optimisation
- Marketing ratios should slowly revert to historical levels over time

Marketing Costs 2014 vs. 2013

Marketing Costs



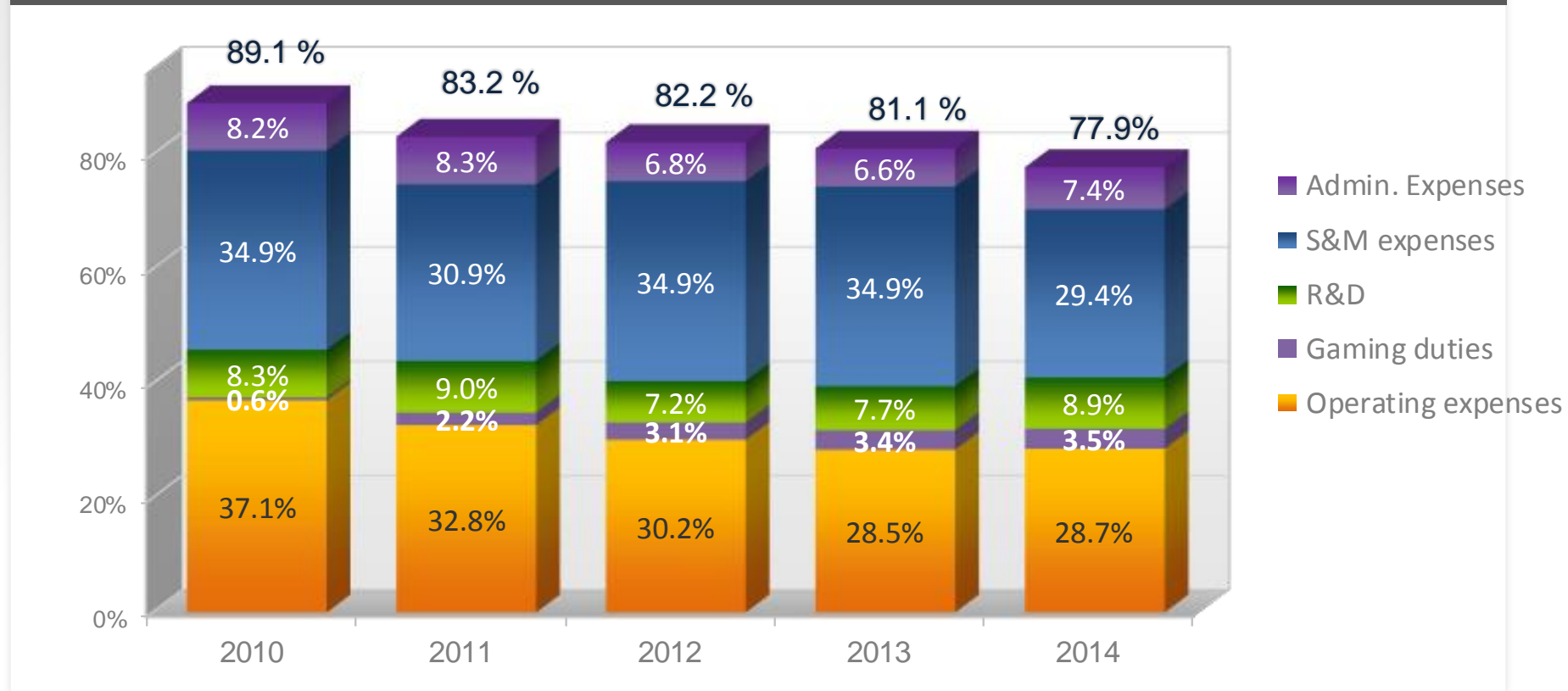
Marketing Costs % of Revenue



COST STRUCTURE

- Cost* percentage of revenue at **78%** (2013: 81%)
- Operational gearing continues, despite US investments

Cost as a % of Total Revenue 2010 - 2013

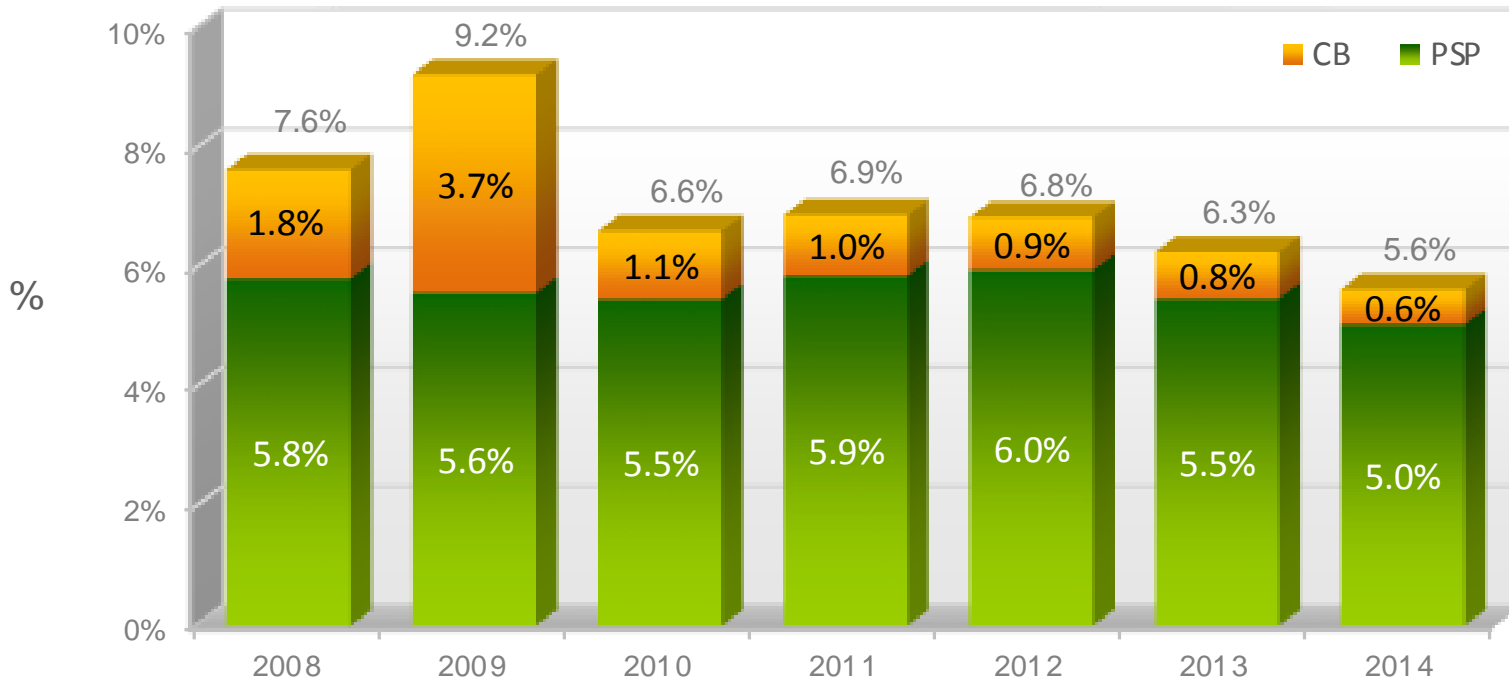


* Excluding share benefit charges, depreciation, amortisation and impairment charges

CHARGEBACK & PSP FEES

- Improved Chargeback and PSP ratios reflecting continued optimisation efforts
- 2014 at **5.6%** of total revenue (2013: 6.3%)

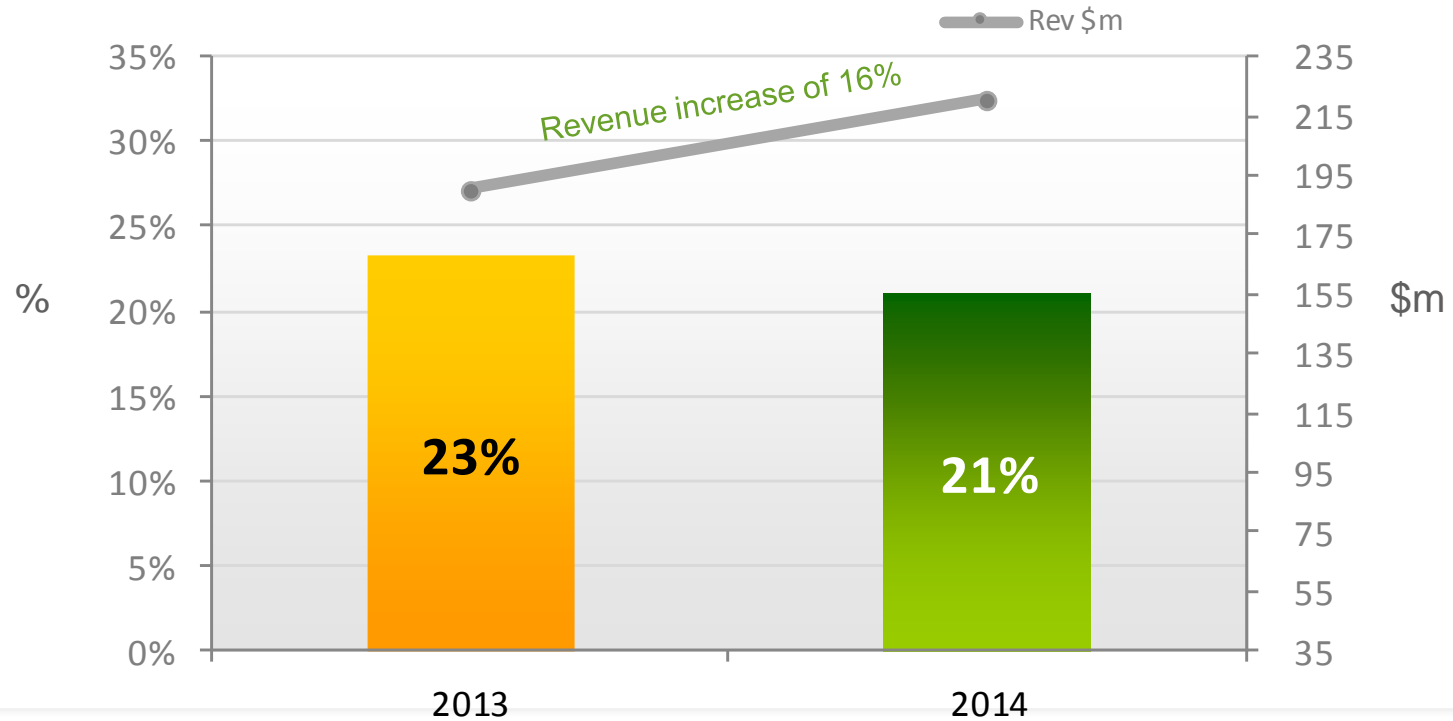
Chargeback & PSP fees as a % of Total Revenue



CUSTOMER INCENTIVES B2C CASINO

- 2014 bonus ratio demonstrate effective CRM efforts, supporting revenue growth

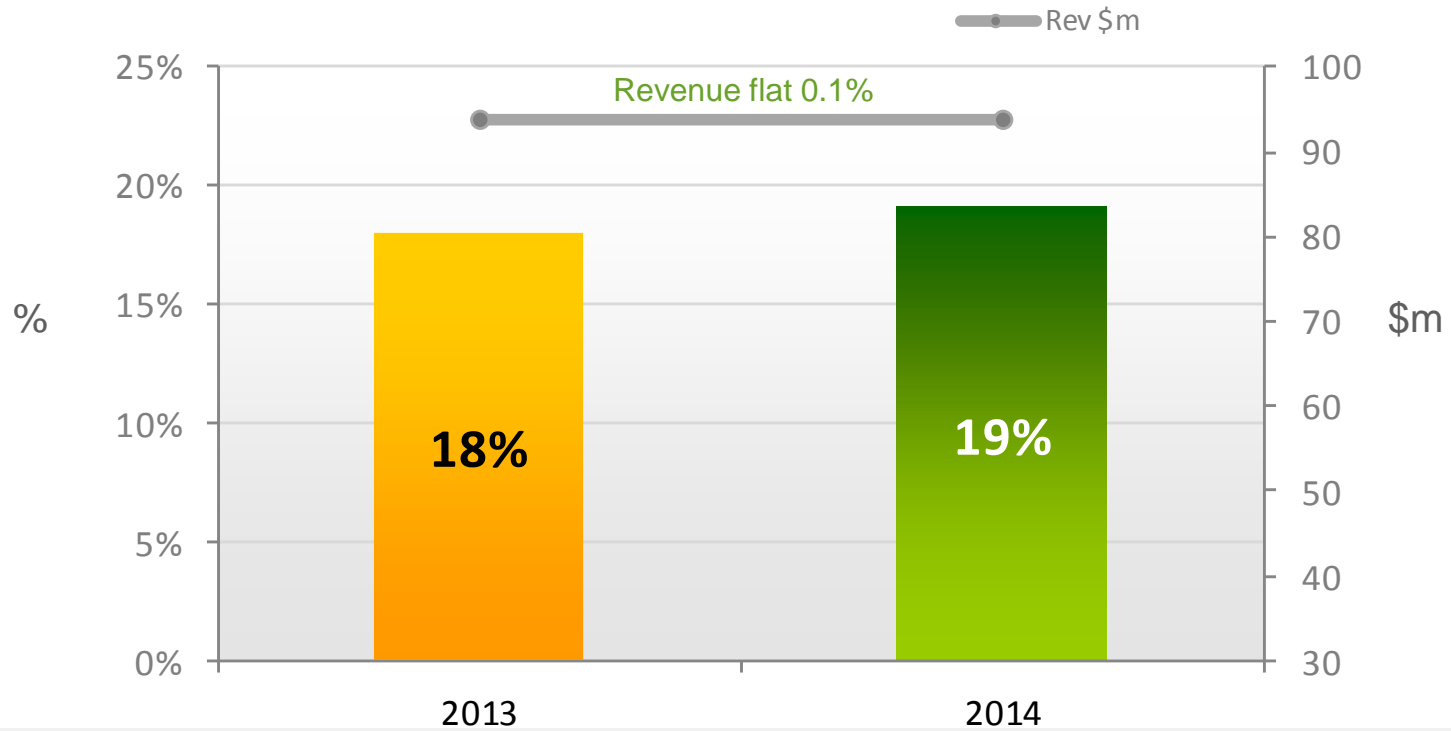
Customer Bonuses as % of Revenue



CUSTOMER INCENTIVES B2C POKER

- A slight increase in Bonus ratio, without eroding Revenue
- CRM efforts drive increase player value

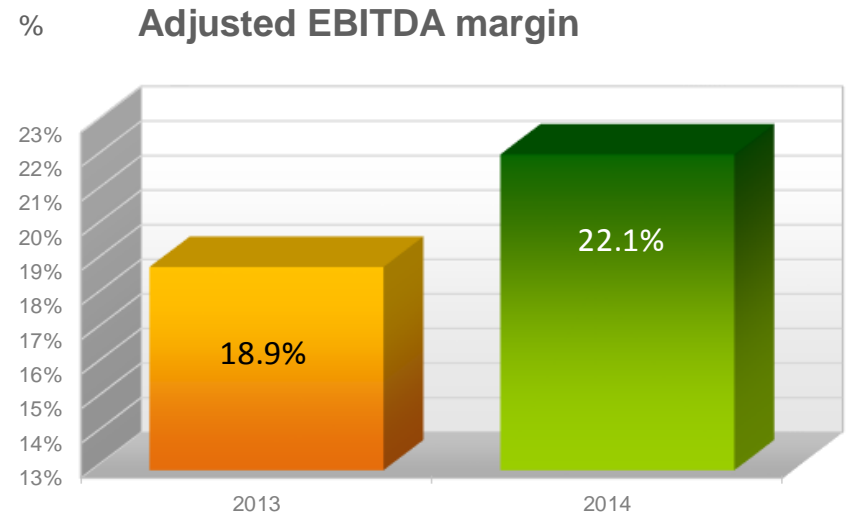
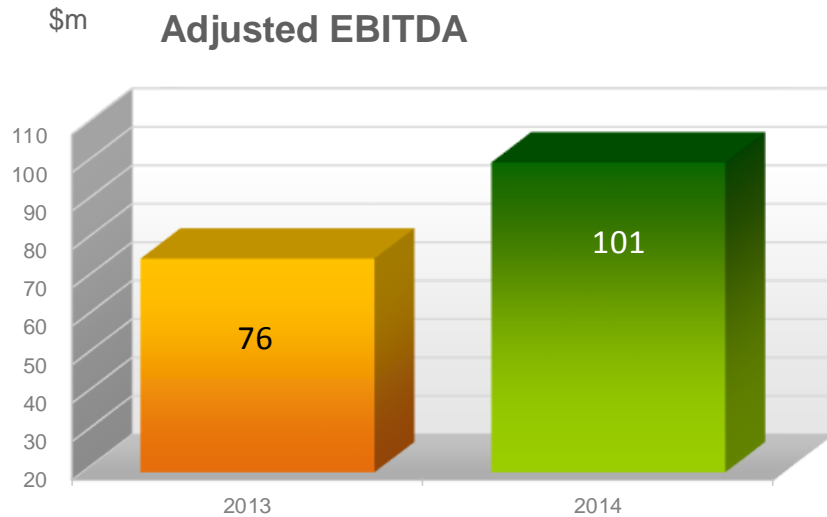
Customer Bonuses as % of Revenue



ADJUSTED EBITDA AND MARGIN

- Record breaking year despite FIFA World Cup effect, US build-up focus and increasing Gaming Duties
- Adjusted EBITDA up **33%** to **\$101m** (2013: \$76m)
- Adjusted EBITDA margin increased to **22%** (2013: 19%)

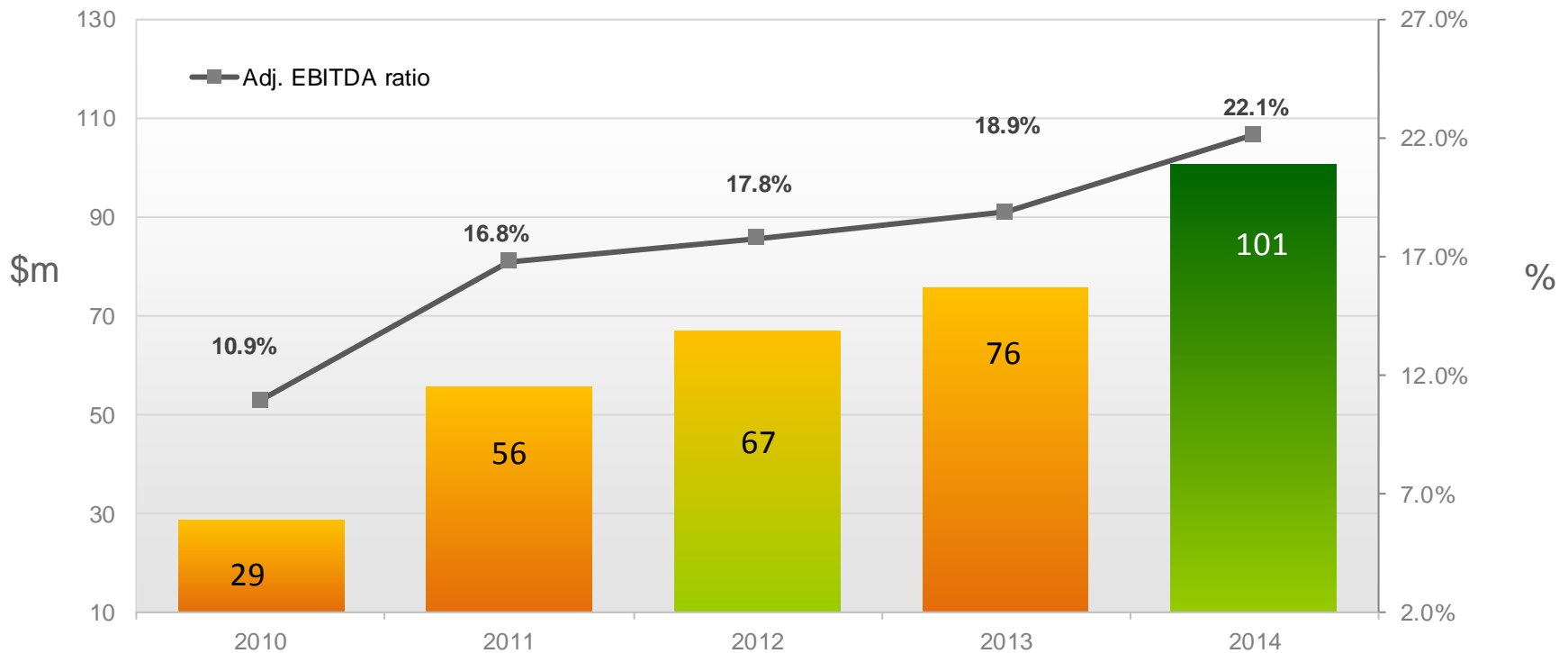
Adjusted EBITDA 2014 vs. 2013



ADJUSTED EBITDA TREND

- Adjusted EBITDA Margin expansion despite US investment
- 2014 Adjusted EBITDA record exceeds previous year's strong comparable

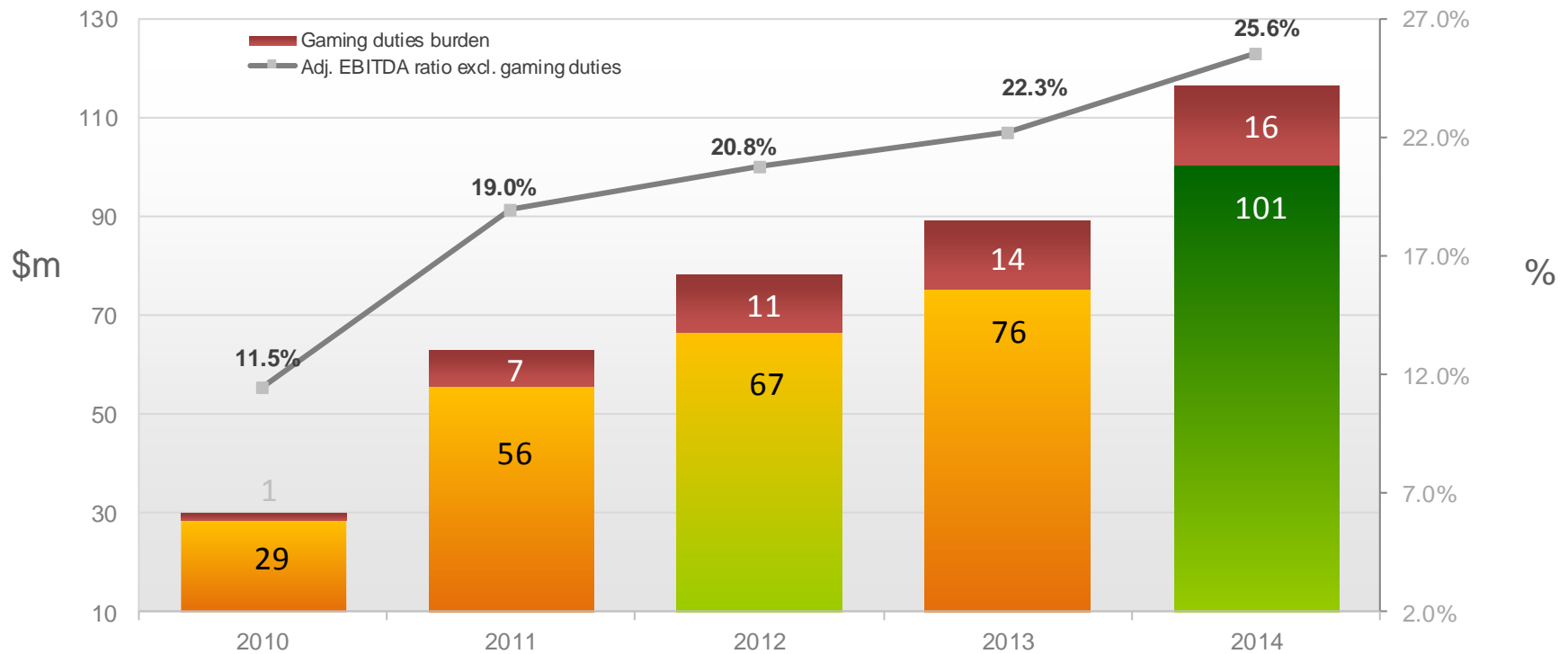
Adjusted EBITDA 2010 - 2014



ADJUSTED EBITDA TREND

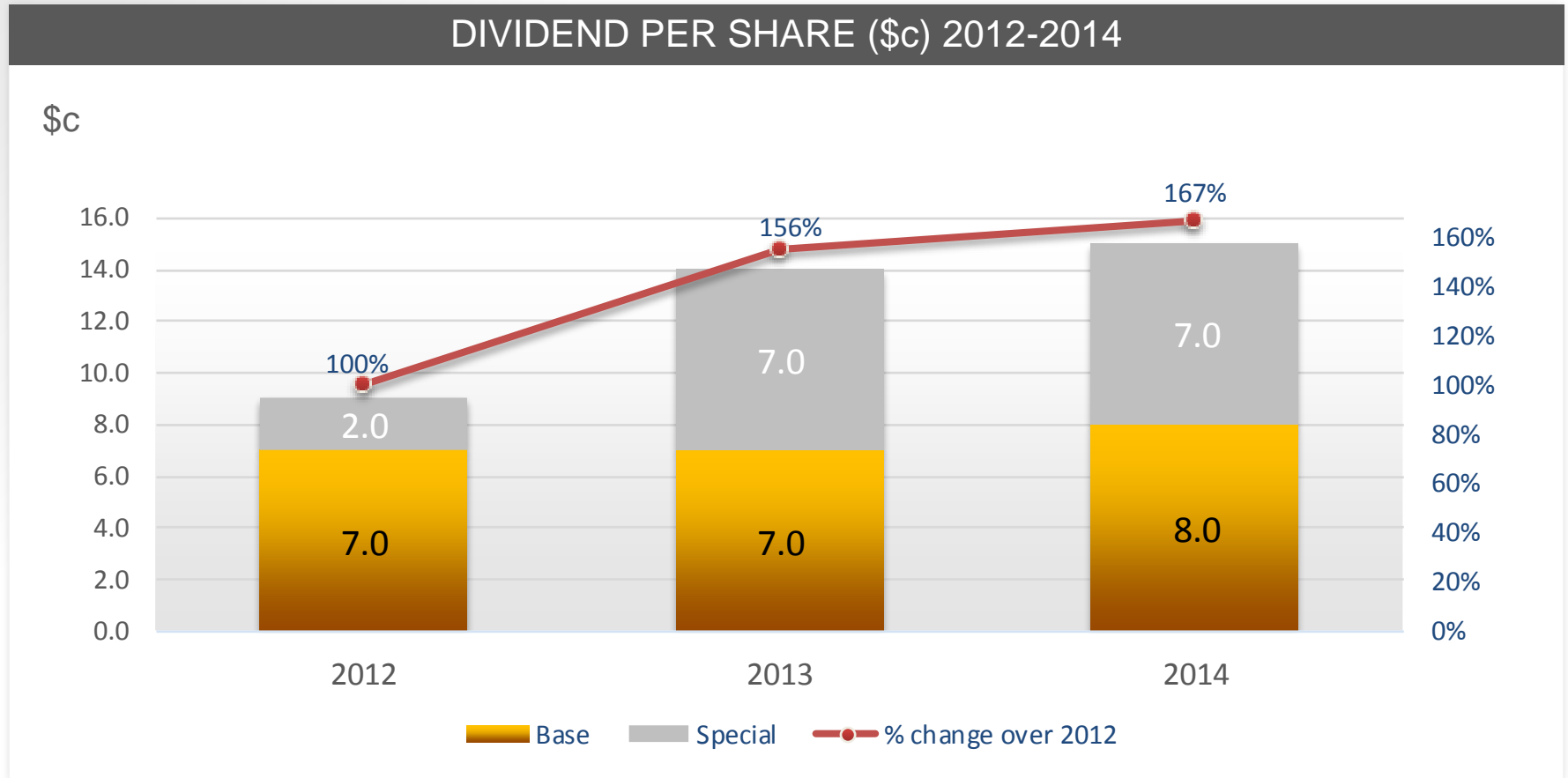
- Excluding gaming duties, Adjusted EBITDA at \$117m (2013: \$90m)

Adjusted EBITDA 2010 - 2014



DIVIDEND

- Dividend reward shareholders as per policy plus special
- Follows success, constantly growing – 67% higher than 2012 dividend per share



* Dividend is according to the year dividend was granted for

BALANCE SHEET

\$m	31-Dec-14	31-Dec-13
Non-current assets		
Goodwill and other Intangible assets	157.2	155.7
Property, plant and equipment	15.5	19.1
Deferred tax & Other non-current assets	1.4	1.4
Investment in equity accounted joint ventures	0.0	3.9
	174.1	180.1
Current assets		
Cash and cash equivalents	163.1	115.8
Trade and other receivables	30.0	32.4
Short term investments	0.0	3.9
	367.2	332.2
Total Assets		
	367.2	332.2
Equity		
Share capital and share premium	4.5	4.1
Retained earnings and reserves	180.6	170.6
Total equity attributable to equity holders	185.1	174.7
Liabilities		
Current liabilities		
Trade and other payables	111.2	98.6
Customer deposits	67.5	55.4
Contingent consideration	0.0	0.4
Cash settled liability	3.4	0.0
Non-current liabilities		
Cash settled liability	0.0	3.1
	367.2	332.2
Total equity and liabilities	367.2	332.2

* Rounded

CASH FLOW STATEMENT

\$m full year Ended 31 December	2014	2013
Cash flows from operating activities		
Profit before income tax	67.9	53.2
Share benefit charges	1.7	5.5
Depreciation & amortisation	17.3	13.9
Change in current assets and liabilities	25.8	12.0
Other non cash adjustments	7.3	9.9
Cash generated from operations	120.0	94.5
Income tax paid	(8.1)	(4.3)
Net cash generated from operating activities	111.9	90.2
Purchase of property, plant and equipment	(5.5)	(9.1)
Internally generated intangible assets	(8.6)	(12.7)
Other investment activity	1.0	(1.7)
Net cash used in Investing Activities	(13.1)	(23.5)
Issue of shares	0.4	0.8
Dividends paid	(51.2)	(33.2)
Net increase in cash and cash equivalents	48.0	34.3
Cash and cash equivalents - beginning of period	115.8	81.5
Effects of currency translation	(0.7)	0.0
Cash and cash equivalents - end of period	163.1	115.8

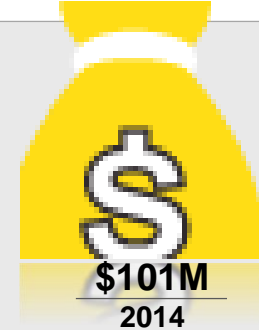
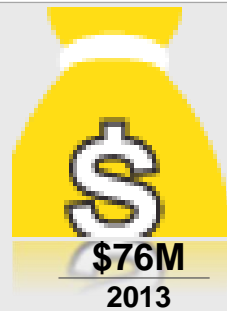
* Rounded



ITAI FRIEBERGER, COO | OPERATIONAL REVIEW

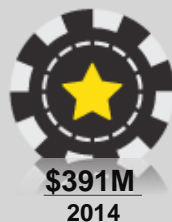
TOTAL

GROUP EBITDA



B2C

REVENUE



SPORT

BETS



CASINO

REVENUE



DEPOSITS



SPAIN

DEPOSIT

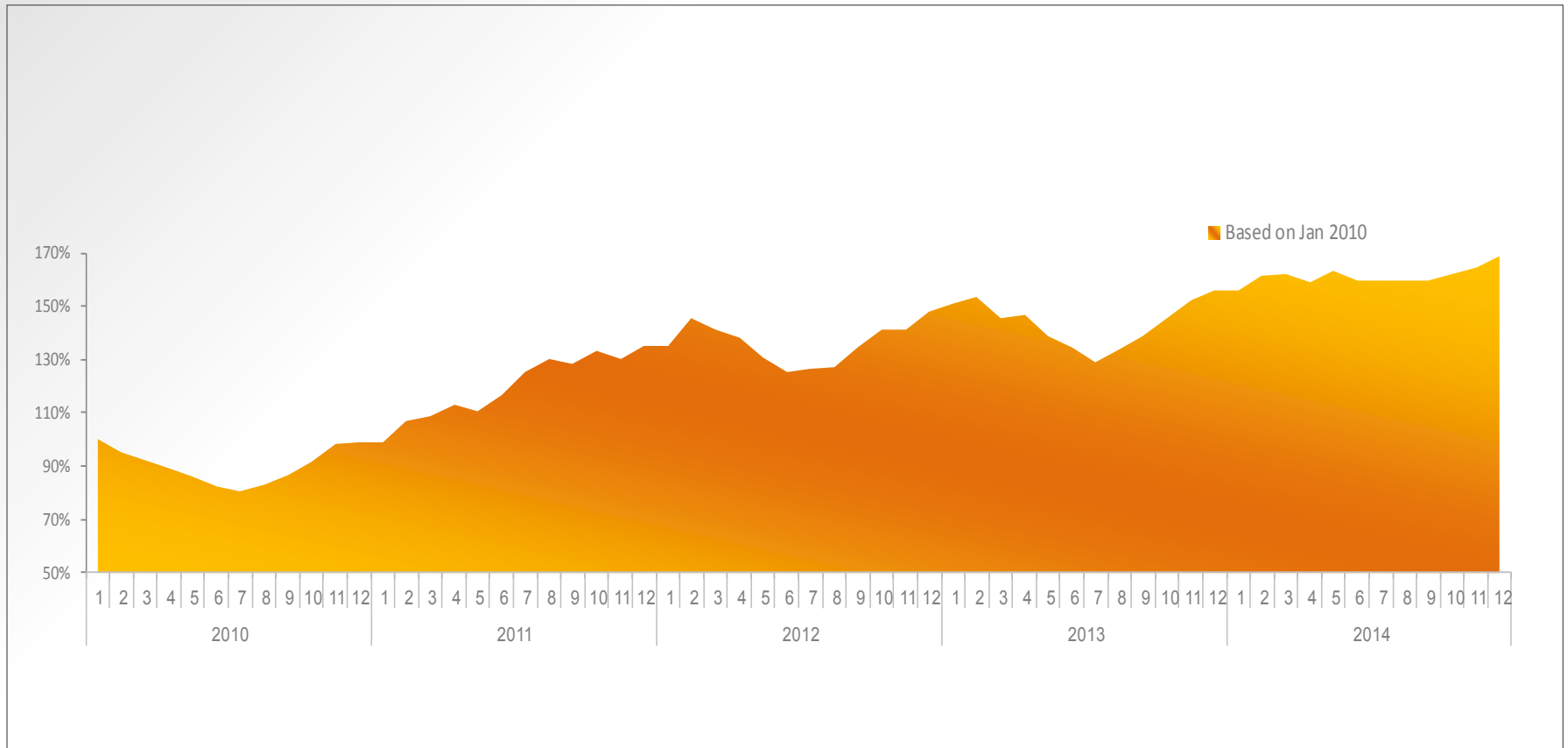


POKER

ACTIVE PLAYERS



DEPOSIT TREND

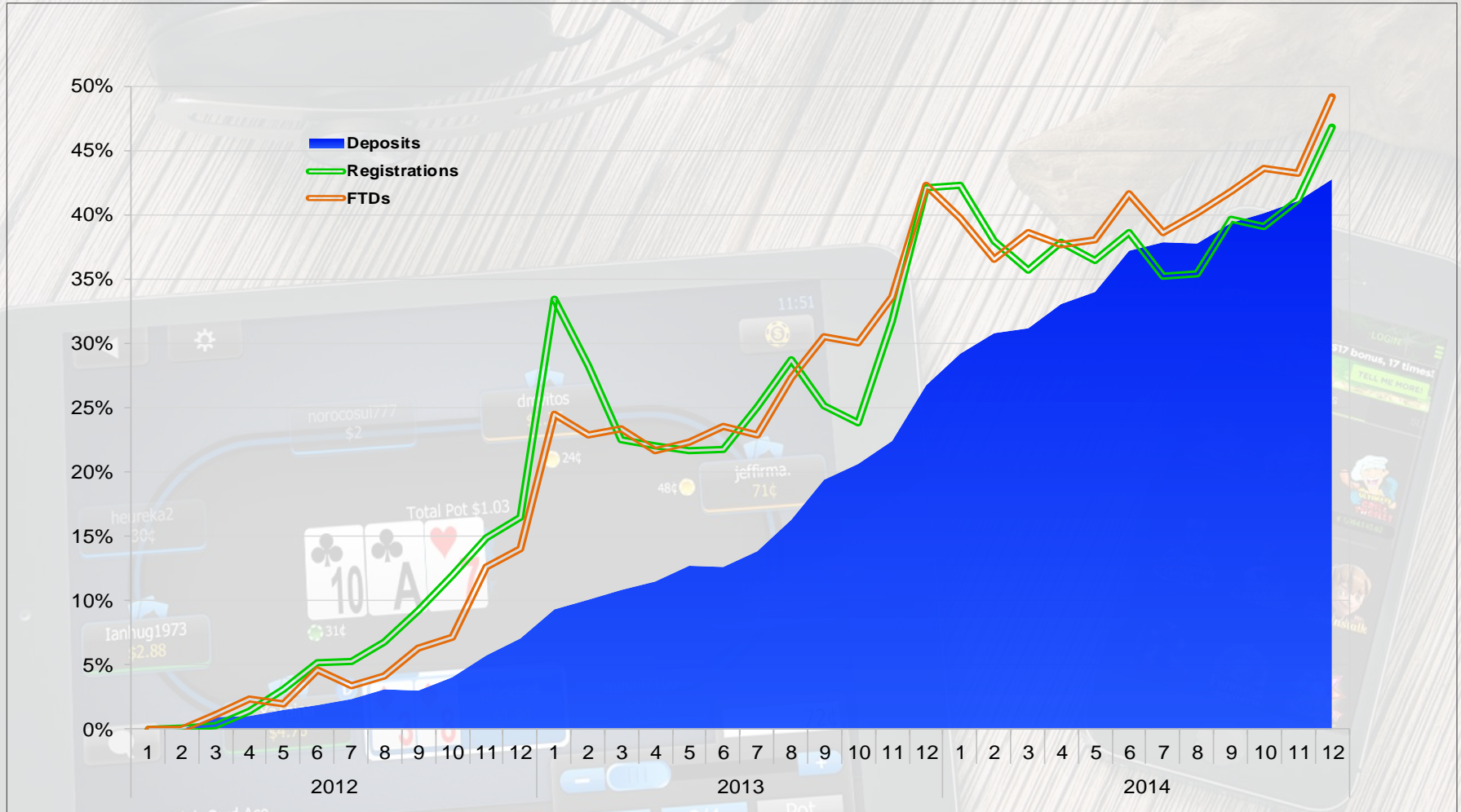


MOBILE



- Mobile is embedded into all verticals and products
- Not just client development:
 - Constant alignment of back office and mobile offering
 - New channels and functionalities for a seamless customer experience
- New marketing terminology, tools and methodologies

MOBILE TRENDS IN UK



*B2C Casino, Poker, Bingo, Sport

CASINO AND GAMES

Snack Times

JACKPOTS:

YUMMY
\$ 000000.00

DELICIOUS
\$ 000000.00

TOTAL WIN
\$ 8388.80

Pick Me

10 of Mors
MINIFESMENTOL

Amibon

Keweenaw

AUTO PLAY
UNTIL FEATURE
X10 X25
X50 X75

BET 0.10

SPINS WIN: \$ 6.00

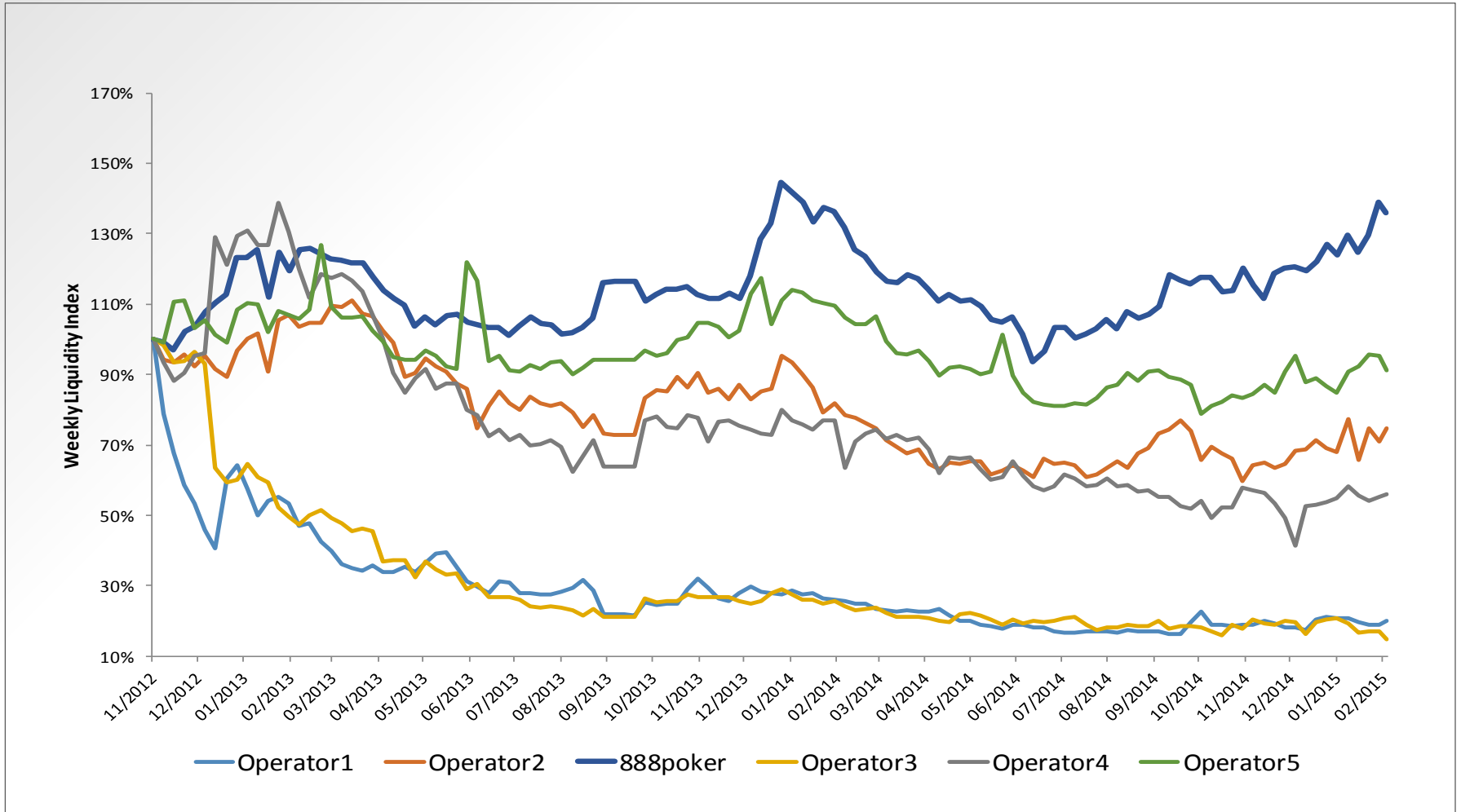
RE SPIN LEFT: 3

- In house studio proves to be a vital asset
- Over 100 games added in 2014
- Development of 888-own premium content while continuing to integrate best-of-breed 3rd party content
- Shared jackpots across the verticals have distributed north of \$38M over the past year
- New exclusive brands to be deployed in 2015

POKER

- Very satisfying performance in challenging market
- Relentless focus on execution of recreational strategy 888Poker brand resilience
- Reinforced position at No. 2 in global poker rankings - the only network showing growth
- Full-featured, integrated casino suite proves to be a key growth and monetization factor

POKER - LIQUIDITY



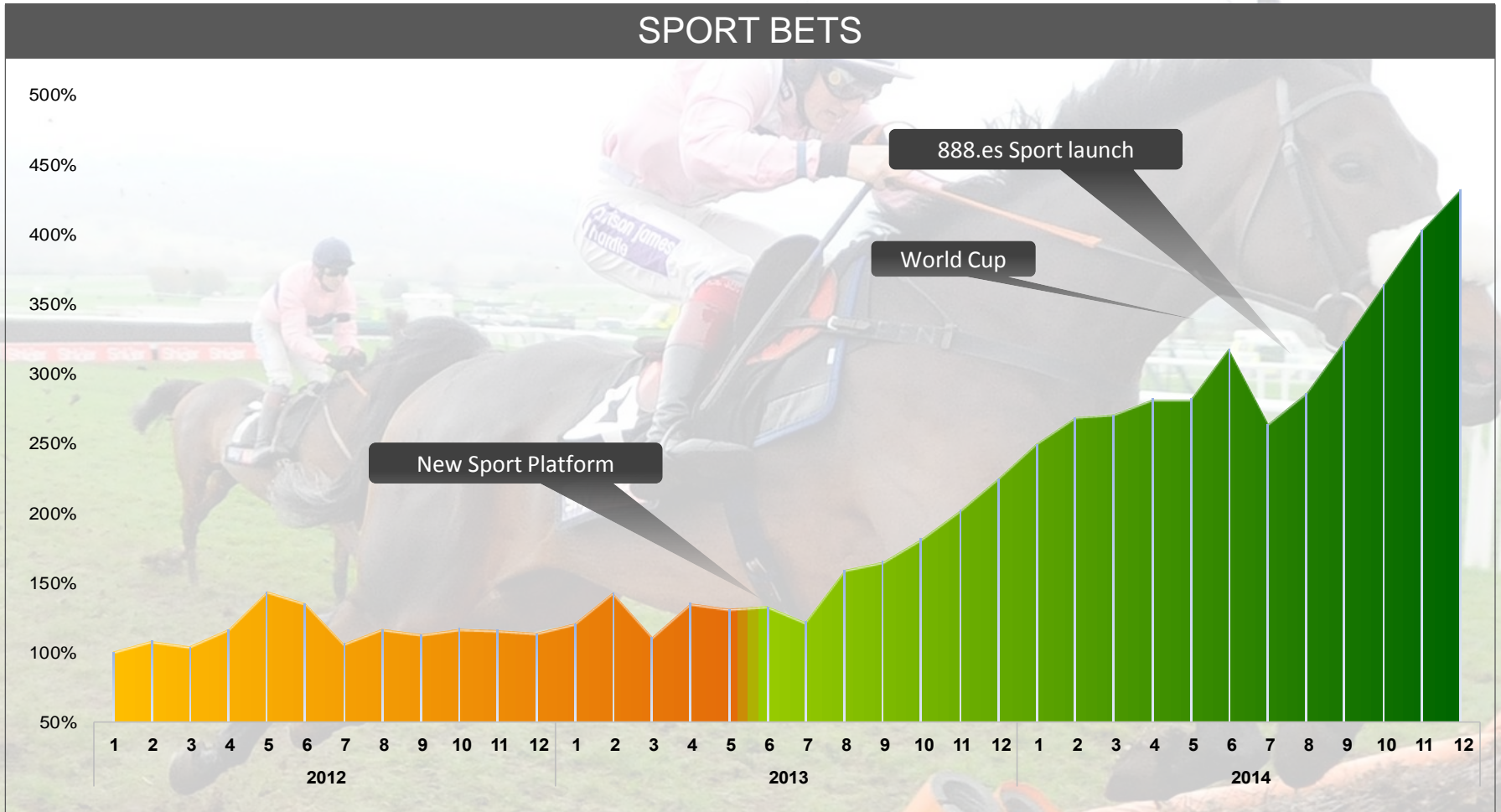
Source: Pokerscout, Feb 2015



- Successful turnaround of B2C
- Mobile driving growth
- POC will impact highly fragmented UK market – 888 has good momentum
- New Instant Games Arena (IGA) gaining traction

SPORT

SPORT BETS



Average daily Bets

EU – REGULATED MARKETS

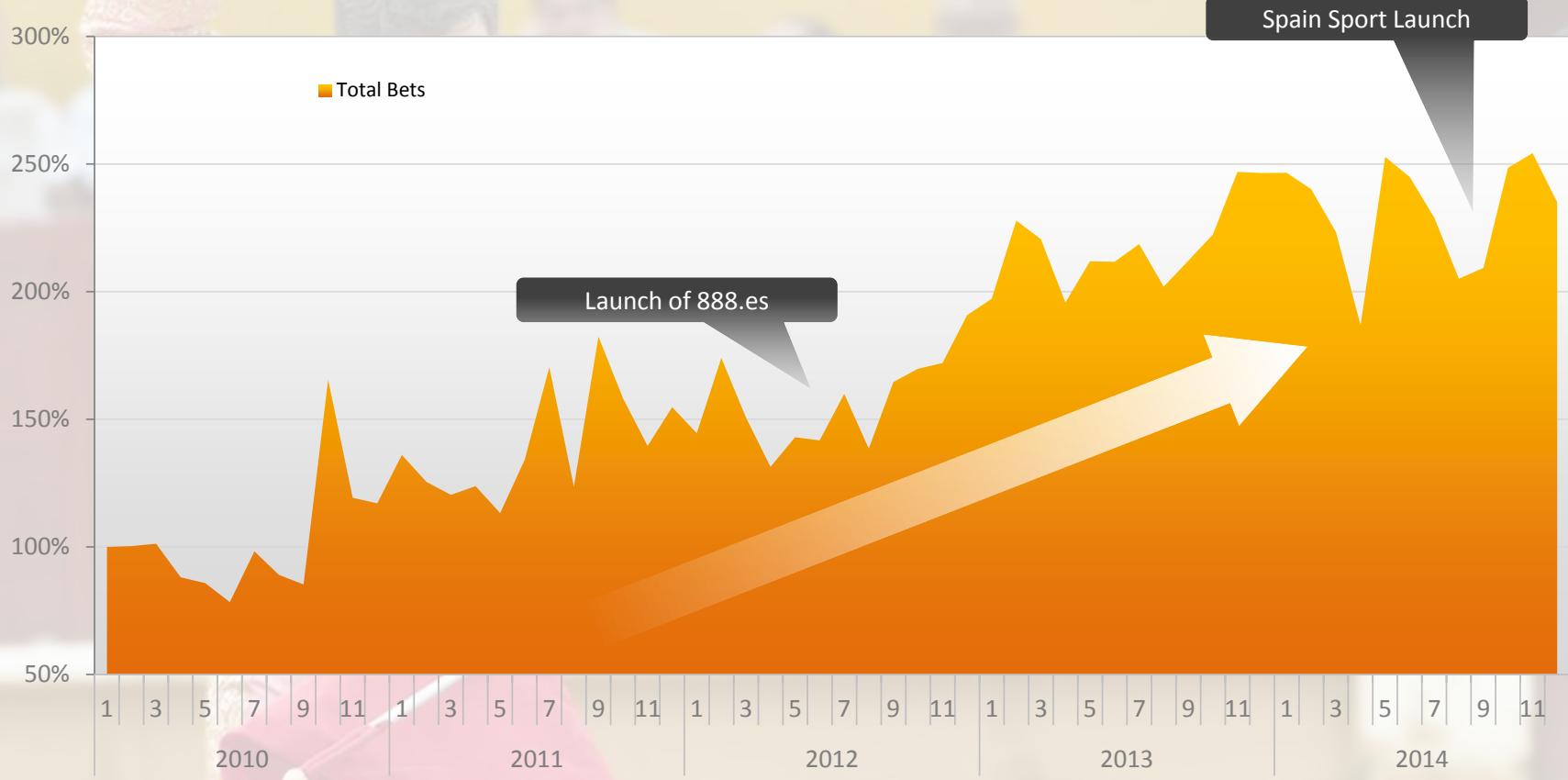
- Leading position in Spain in Casino/Poker maintained exceptional achievement pre-launch of Sport offer
- 888Sport.es launched in August with strong results, slots is next opportunity
- Now with full suite of Casino, Poker and Sport products across desktop and mobile in Spain
- 888.es in strong position as brand builds further traction
- Italian market remains volatile
- 888.it – encouraging trends since introduction of mobile in Q4
- Remain Casino focused in Italy and continue to evaluate other opportunities

SPORT

- Transformational year for 888Sport – stunning 82% GGR growth
- Excellent World Cup demonstrates strength of product
- Supported by successful multi-channel marketing campaigns
- Launch in Spain during summer, with positive early results
- Strong cross-sell trends to other products
- 2015 opportunity to harvest customers acquired in 2014

888.es BETS TREND

888 SPAIN TOTAL BETS GROWTH

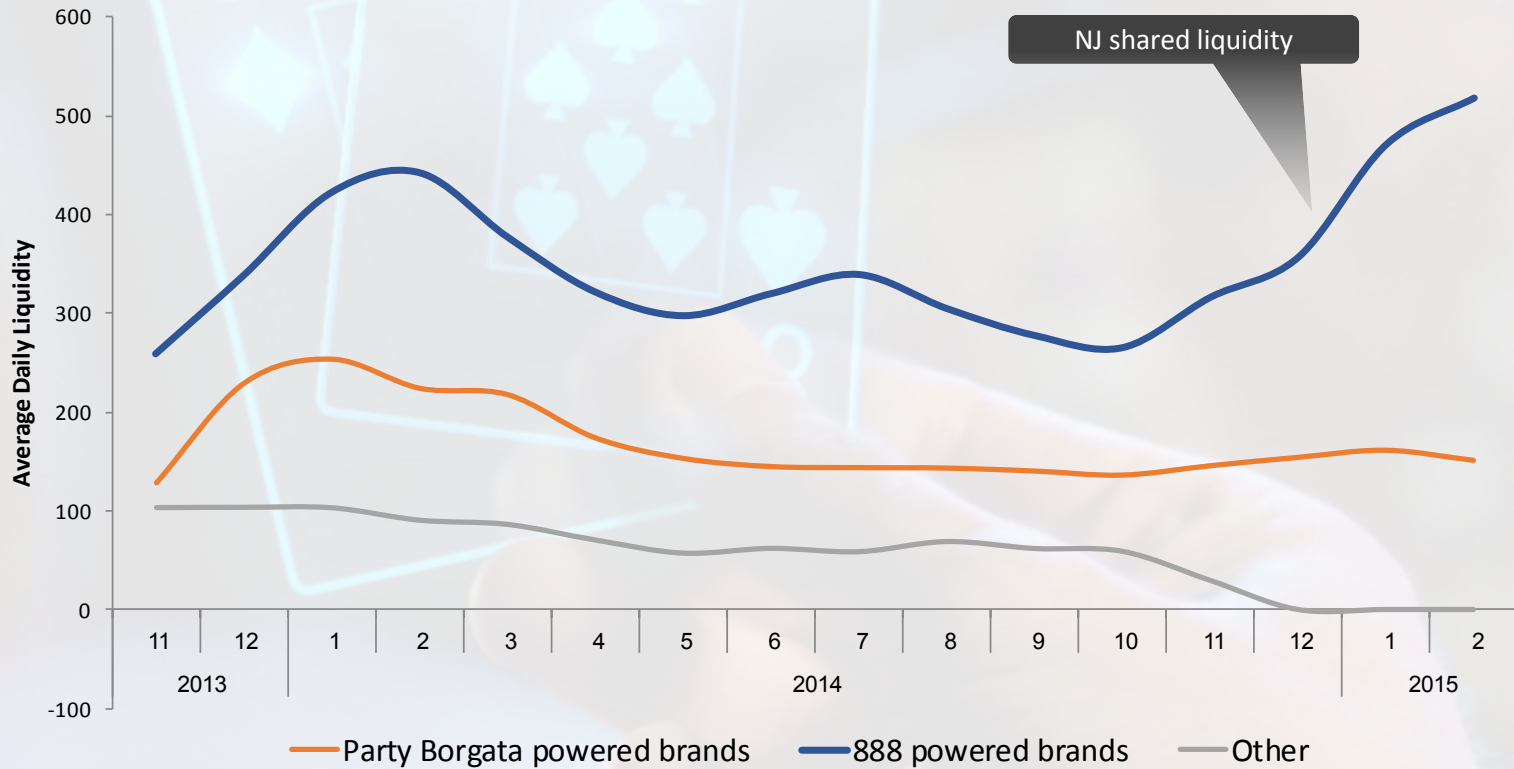


USA

- 888 is the leading iGaming provider/operator in the US market
- Anticipated launch of Delaware and Nevada interstate compact; strategically important
- Significant and unrivalled relationships and know-how of US market
- US opportunities remain potentially vast, most of the market has not been tapped into yet
- We are committed

USA TOTAL POKER LIQUIDITY

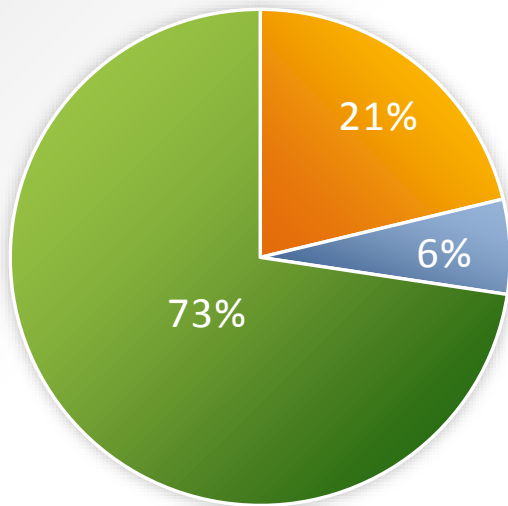
USA AVERAGE DAILY POKER LIQUIDITY



Source: Pokerscout, Feb 2015

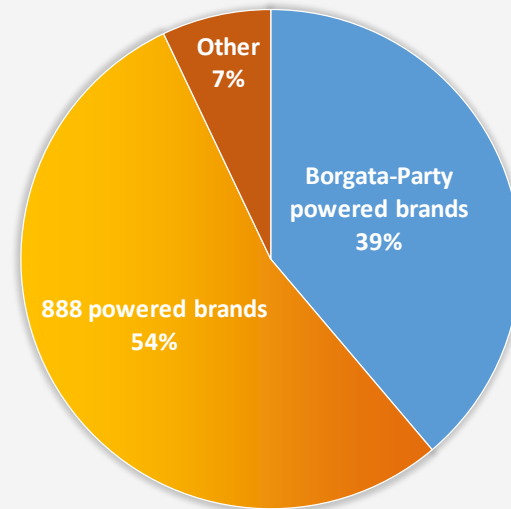
US PER STATE & PLATFORM

SPLIT PER TERRITORY



■ Nevada ■ Delaware ■ New Jersey

INTERSTATE POKER REVENUE*



*B2C Casino, Poker, Bingo, Sport

*GGR is for all of US regulated states, Ultimate NV is up to Q3 14


OPERATIONAL SUMMARY

- Record year driven by exceptional growth in core business
- We are continuing to outperform the market
- Growth underpinned by market-leading technology, analytics and dynamic team
- Excellent momentum and focused strategy positions 888 to exploit opportunities
- Taking 888 to the next level



BRIAN MATTINGLEY, CEO | SUMMARY

SUMMARY

- 
- Record year, strong cash generation
 - External financial headwinds but strong operational momentum
 - Poised to take advantage of greater regulatory clarity
 - Leading technological platform
 - World class marketing and CRM capabilities
 - Industry leading team
 - Future growth, organic and M&A
 - **Never in better health**



Q&A