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## Agenda

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- Highlights
- Financial review
- Operational review
- Regulatory update
- Summary and outlook

## Highlights

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- Discussions continuing with Ladbrokes regarding a possible offer for the entire issued share capital of the Group and with Gaming VC regarding a possible disposal of the Turkish language website
- Integration of Centrebet proceeding well and in line with expectations
- EBITDA up 11% to £51.4m
- Amounts wagered up 4% to £2,054m with NGR up 1% on like for like basis
- Amounts wagered online in Australia up 62%
- In:play continues strong performance. 67% of European amounts wagered (2010:61%) at an industry leading margin of 9.7%
- Final dividend of 1.1p making a total of 1.7p (2010:1.6p)



## Income Statement

	Year ended 2011 £m	Year ended 2010 £m
Amounts wagered	<b>2,053.9</b>	1,971.3
Total revenue	<b>206.3</b>	207.5
Costs	<b>(168.2)</b>	(172.1)
Operating profit*	<b>38.1</b>	35.4
Share option charge	<b>(1.2)</b>	(2.0)
Amortisation	<b>(1.7)</b>	(1.8)
Exceptional costs	<b>(10.8)</b>	(24.5)
Net finance costs	<b>(0.6)</b>	(0.2)
Tax	<b>(3.1)</b>	(3.0)
Profit for the period	<b>20.7</b>	3.9
Fully diluted EPS*	<b>6.3p</b>	6.2p

\* Before exceptional costs, share option charge and amortisation of other intangible assets

## Operating profit reconciliation

		£m	£m
2010 operating profit			35.4
Europe sports	<ul style="list-style-type: none"> <li>• Volume</li> <li>• Margin (10.0% vs 10.3%)</li> </ul>	2.4 (2.4)	-
Australia sports	<ul style="list-style-type: none"> <li>• Volume</li> <li>• Margin (4.9% vs 4.7%)</li> </ul>	4.9 0.3	5.2
Casino and gaming effect			(0.7)
Poker effect			(4.2)
Decrease in costs*			2.4
2011 operating profit			38.1

\* Before exceptional costs, share option charge and amortisation of other intangible assets

## Costs

	2011 £m	% of margin	2010 £m	% of margin
Marketing				
• reported	<b>59.7</b>	<b>26.3%</b>	58.4	25.8%
• customer bonuses	<b>20.3</b>	<b>9.0%</b>	18.8	8.3%
	<b>80.0</b>	<b>35.3%</b>	77.2	34.1%
Payment processing costs	<b>22.9</b>	<b>10.1%</b>	26.1	11.5%
Product commissions	<b>18.4</b>	<b>8.1%</b>	15.9	7.0%
Employees	<b>36.3</b>	<b>16.0%</b>	39.4	17.4%
Depreciation	<b>13.3</b>	<b>5.9%</b>	11.1	4.9%
Other admin	<b>17.6</b>	<b>7.8%</b>	21.2	9.4%
	<b>188.5</b>	<b>83.2%</b>	190.9	84.4%
Operating profit margin	<b>38.1</b>	<b>16.8%</b>	35.4	15.6%

## Balance sheet

		2011	2010
		£m	£m
<b>Non-current assets</b>	Goodwill	41.8	41.5
	Tangible and intangible assets	60.6	50.9
<b>Working capital</b>	Trade and other receivables	16.3	12.6
	Cash raised re Centrebet	124.0	-
	Cash and cash equivalents	56.2	58.9
	Derivative asset	-	1.3
	Other payables*	(60.4)	(66.0)
<b>Liabilities</b>	Interest bearing loans and borrowings	(59.8)	(6.5)
	Derivative liability	(0.2)	-
		178.5	92.7
<b>Equity</b>	Share capital / share premium	60.7	60.4
	Reserves	117.8	32.3
		178.5	92.7

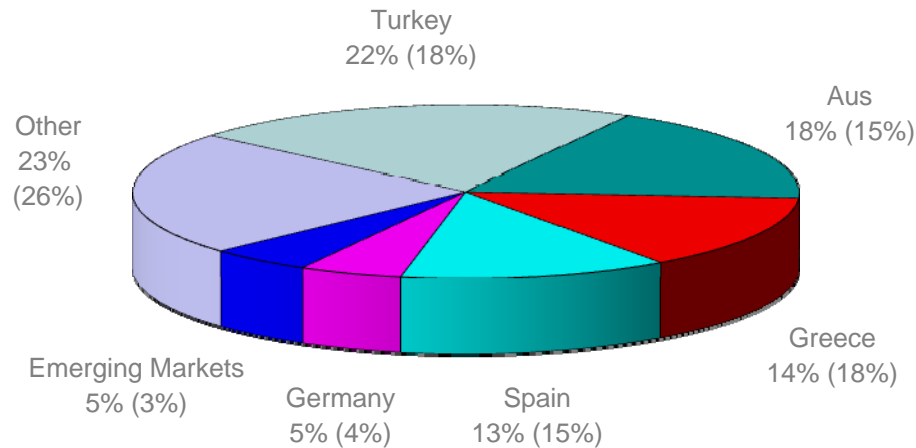
\* Includes client liabilities of £22.7m (2010: £18.2m)

## 2010/11 Cash flow

	£m	£m
Gross cash as at 1 August 2010		58.9
EBITDA	51.4	
Working capital	4.0	55.4
Issue of convertible loan notes		65.0
Issue of shares in respect of post year end acquisition		65.0
Costs of issuing shares and loan notes		(6.4)
Capex		(25.0)
Exceptional costs		(10.8)
Tax		(2.1)
Payment to US DOJ		(11.2)
Dividend		(8.6)
Net cash flow		121.3
Gross cash as at 31 July 2011		180.2
Finance leases and bank loan		(7.1)
Customer liabilities		(22.7)
Amounts paid to acquire Centrebet in August		(123.6)
Net cash as at 31 July 2011		26.8



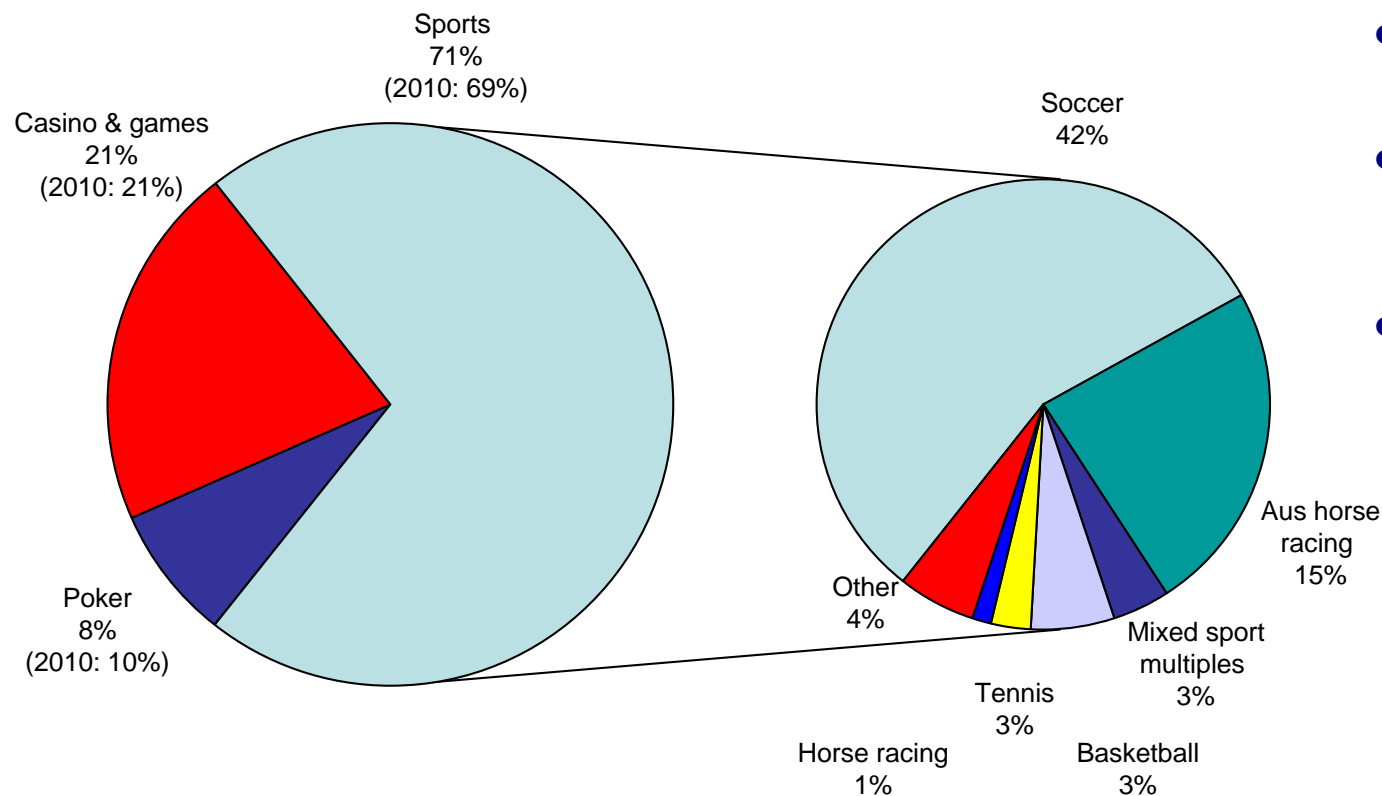
Group geographical breakdown (post-tax gaming revenue)



- Geographical diversification spreads regulatory and economic risk
- Strong economy in Turkey driving growth with NGR up 26%
- Australia NGR up 15% due to strong growth in online
- Greece amounts wagered down 22% due to economic issues.
- Spain amounts wagered down 2% and NGR down 12%
- Emerging markets up 56% in NGR

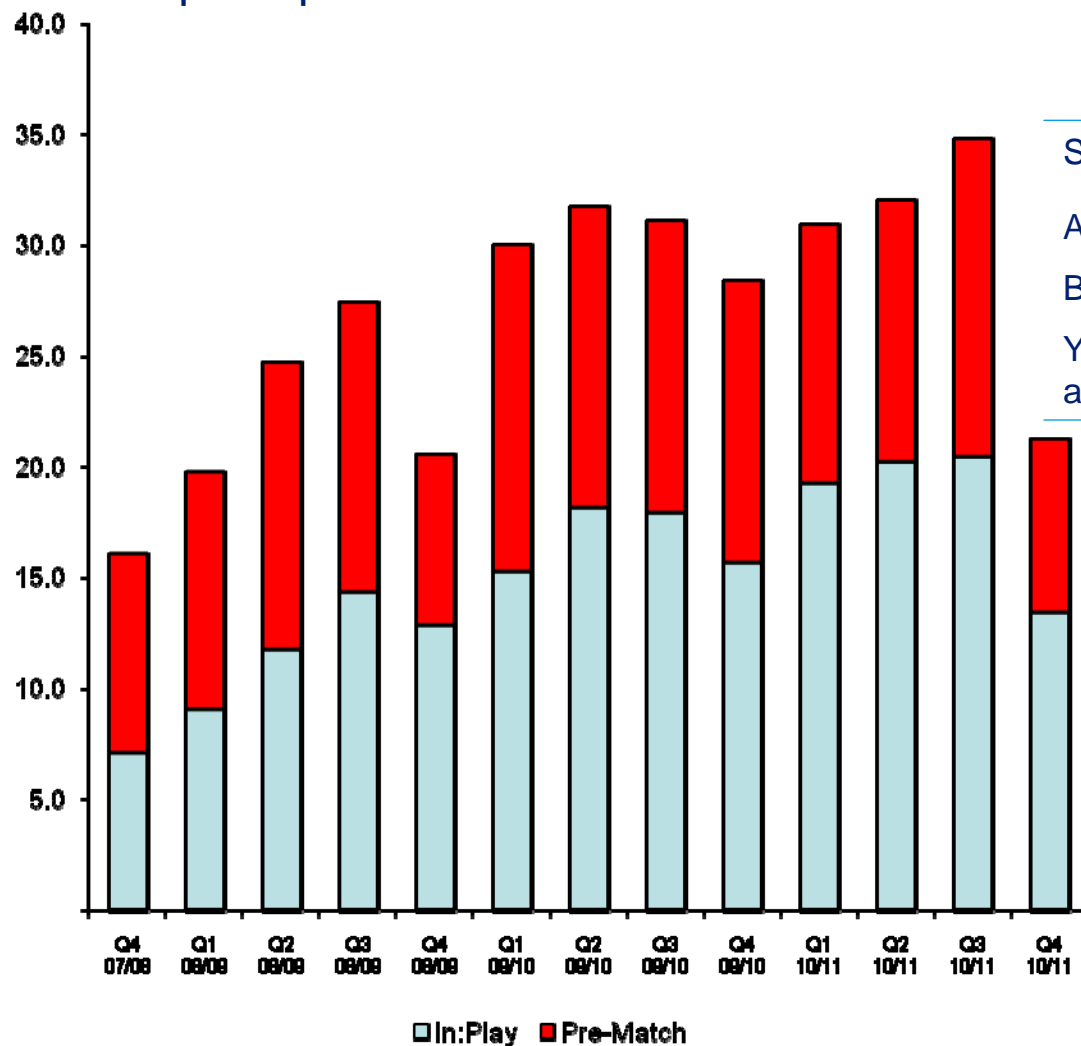
(2010 comparatives in brackets)

Group product breakdown



- Sports betting continues to drive the business
- Soccer, particularly in:play, strongest product line
- Horse racing major component of Australian business

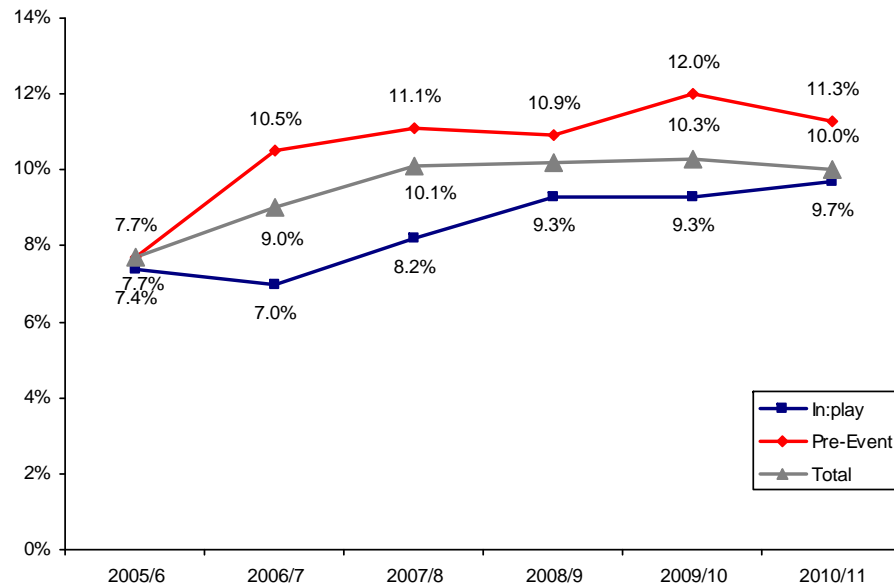
### Europe - sports



	2011	2010	+/-
Sports actives	<b>429,154</b>	477,234	-10%
Average bet size	<b>£15.01</b>	£15.51	-3%
Bets per customer	<b>184</b>	159	+16%
Yield per sports actives	<b>£277</b>	£254	+9%

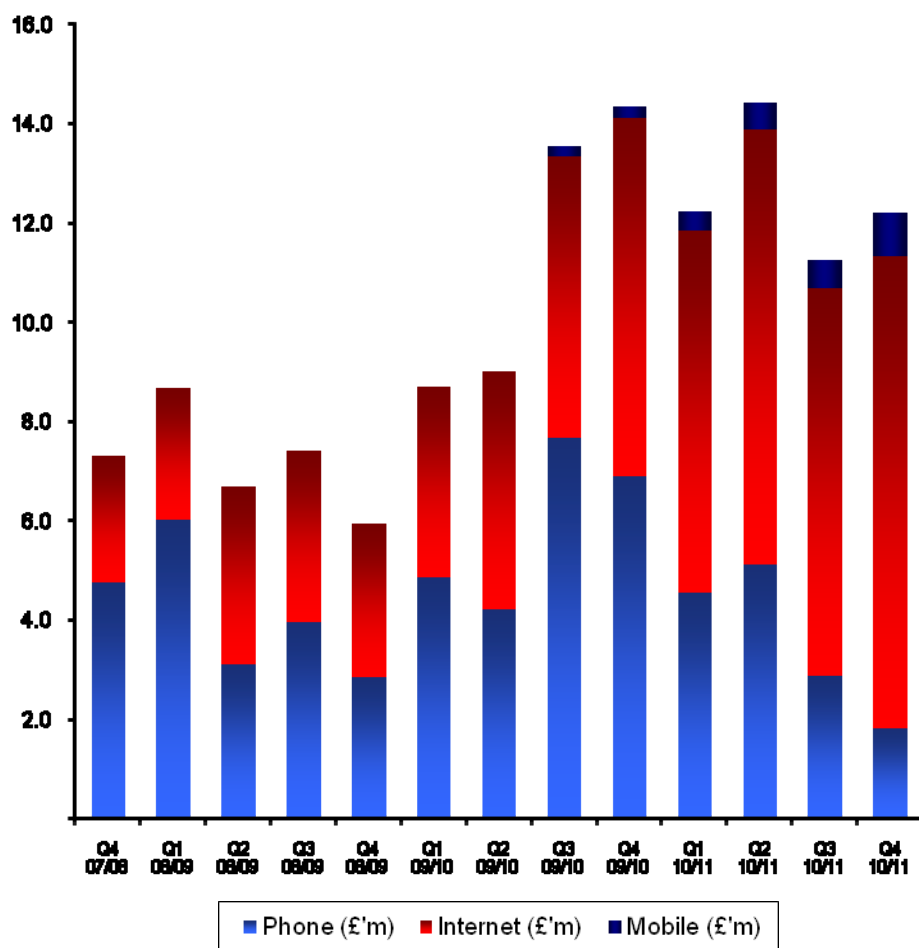
- Number of actives and average bet size down due to economic slowdown in Greece and Spain
- Comparatives include World Cup
- Yield increased and bets per customer up due to growth of in:play

## In:play



- In:play 67% (2010: 61%) of European amounts wagered
- Double digit sport margin reflects continued long term investment in the trading team and IT
- Increased number of markets drives margin stability
- Wide range of in:play markets offered on more than 75% of all in:play matches
- Tennis and Basketball in:play offerings broadened

### Australia (pre-tax gaming revenues)



	2011	2010	+/-
Internet bets	<b>26.4m</b>	17.3m	+53%
Telephone bets	<b>1.4m</b>	1.6m	-10%
Sports actives	<b>82,200</b>	57,042	+44%

- Amounts wagered on the internet up 39% at constant currency
- Amounts wagered on the telephone down 28% at constant currency
- \$9m GST claim
- \$13m NSW refund claim
- Centrebet acquired 31 August 2011. Integration proceeding well and as planned



## Regulatory update

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- We welcome regulated markets
  - Continuity of future revenue
  - Consumer protection
  - Growth in overall size of market
  - Stable payment processing
- Group will apply for a licence where
  - Market is economically viable
  - Regulatory environment is stable
  - Equitable tax system
  - Severe penalties for non-compliance

## Regulatory update

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- Spain
  - 25% GGR tax on all products c.£8m per annum
  - Licence applications due November 2011
  - Unlimited licences
  - Top 3 market position
  
- Greece
  - 30% GGR tax on all products c.£4.5m per annum
  - Law has yet to be ratified by Greek President
  - Unlimited licences
  - Top 3 market position



## Summary and outlook

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- Short-term economic outlook challenging but, long-term growth prospects of industry are good
  - Demographics
  - Broadband penetration
  - Mobile smartphone penetration
  - Confidence in transacting
  - Sport's ever increasing global popularity
  - Regulation
- Integration of Centrebet proceeding well
- Discussions with Gaming VC and Ladbrokes ongoing
- Solid start to new financial year with NGR 17% up on last year



## Net gaming revenue

	2011 £m	2010 £m	% change
Europe			
Sports (10.0% vs 10.3%)	<b>118.9</b>	121.4	-2.1%
Casino & games	<b>47.5</b>	48.2	-1.5%
Poker	<b>17.7</b>	21.7	-18%
	<b>184.1</b>	191.3	-3.8%
Australia			
Sports (4.9% vs 4.7%)	<b>40.2</b>	35.0	+15%
Gaming revenues (post gaming taxes)	<b>224.3</b>	226.3	-0.9%
Customer bonus adjustment	<b>(20.3)</b>	(18.8)	-8.0%
Net gaming revenue	<b>204.3</b>	207.5	-1.7%

## Europe KPI's

	2011	2010	+/-
Sports actives	<b>429,154</b>	477,234	-10%
Sports bets	<b>78.9m</b>	75.7m	+4.1%
Sports bets / active	<b>184</b>	159	+16%
Sports bet size	<b>£15.01</b>	£15.51	-3.2%
Sports margin %	<b>10.0%</b>	10.3%	-2.8%
Yield per sports active	<b>£277</b>	£254	+9.0%
Casino and games bets	<b>581.4m</b>	499.6m	+16%
Casino and games bet size	<b>£2.43</b>	£2.82	-14%
Casino and games margin %	<b>3.4%</b>	3.4%	-
Poker – average daily rake	<b>£48,225</b>	£59,603	-19%

## Australia KPI's

	2011	2010	+/-
Sports actives	<b>82,200</b>	57,042	+44%
<b>Internet</b>			
Sports bets	<b>26.4m</b>	17.3m	+53%
Sports bets / active	<b>341</b>	326	+4.5%
Sports bet size	<b>A\$26</b>	A\$28	-9.2%
Sports margin (post tax) %	<b>6.8%</b>	6.5%	+4.4%
<b>Telephone</b>			
Sports bets	<b>1.4m</b>	1.6m	-10%
Sports bets / active	<b>77</b>	107	-27%
Sports bet size	<b>A\$427</b>	A\$535	-20%
Sports margin (post tax) %	<b>2.5%</b>	3.5%	-29%