



HI	HI	HI
RATE GBP 62.26	RATE GBP 66.29	RATE GBP 631.63
3	2	12
RATE GBP 310.81	RATE GBP 621.63	RATE GBP 66.29
LO	LO	LO

Q3 Results

3 & 9 months ended 30 April 2008

Agenda

- ♣ Andrew McIver, Group Chief Executive
 - ♠ Introduction
 - ♠ Highlights

- ♣ Jim Wilkinson, Group Finance Director
 - ♠ Financial Review

- ♣ Andrew McIver
 - ♠ Operational Review
 - ♠ Regulation
 - ♠ Current Trading

Highlights

- ♣ Strong growth in Gaming Revenue across the portfolio
 - ♠ Sports up 41% year on year
 - ♠ Casino and Games up 26% year on year
- ♣ Both European and Australian operations performing well
- ♣ Operating profit margin targets continue to be exceeded
- ♣ Geographic portfolio more diversified
- ♣ YTD operating profit £19.0m

Income Statement

	Q3 2008	Q3 2007	YTD 2008	YTD 2007
	£m	£m	£m	£m
Amounts Wagered	364.6	290.8	1,020.2	833.1
Net gaming revenue	40.7	31.6	112.3	98.5
Costs	(33.4)	(28.6)	(93.3)	(91.5)
Operating profit	7.3	3.0	19.0	7.0
Fair value restatements	(1.8)	(2.8)	(5.4)	(5.5)
Exceptional charge	-	(62.3)	(3.9)	(74.9)
Amortisation	(1.3)	(0.7)	(3.5)	(0.7)
Net finance income	-	0.6	0.2	0.5
Tax	(0.8)	(0.2)	(1.8)	(0.8)
Retained profit/(loss)	3.4	(62.4)	4.6	(74.4)
Fully diluted EPS*	1.2p	0.7p	3.4p	1.4p

*Before fair value restatements, exceptional items and amortisation

Operating Profit Reconciliation

		£m	£m
Q3 2007 operating profit			3.0
Sports volume effect	◆ Europe	4.4	
	◆ Australia	0.7	
Sports margin effect	◆ Europe	1.6	
	◆ Australia	1.8	
Sports effect			8.5
Casino effect			2.1
Poker effect			(0.5)
Increase in costs			(5.8)
Q3 2008 operating profit			7.3

Net Gaming Revenue

		Q3 2008	Q3 2007	% change
		£m	£m	£m
Europe	◆ Sports (11.3% vs 10.6%)	22.6	16.7	35%
	◆ Casino & gaming	10.1	8.0	26%
	◆ Poker	6.1	6.6	(7%)
		38.8	31.3	24%
Australia	◆ Sports (3.5% vs 2.3%)	5.3	2.8	89%
		44.1	34.1	29%
Customer bonus adjustment		(3.4)	(2.5)	(36%)
Net gaming revenue		40.7	31.6	29%

Q3 Costs

	Q3 2008 £m	% of margin	Q3 2007 £m	% of margin
Marketing				
♦ reported	13.4	30.4	15.1	44.3
♦ customer bonuses	3.4	7.7	2.5	7.3
	16.8	38.1	17.6	51.6
Payment processing costs	5.7	12.9	2.9	8.5
IT costs	2.6	5.9	1.8	5.3
Employees	7.4	16.7	5.4	15.8
Depreciation	1.4	3.2	1.7	5.0
Other admin	2.9	6.6	1.7	5.0
	36.8	83.4	31.1	91.2

Balance Sheet

		30 April 2008	30 April 2007
		£m	£m
FIXED ASSETS	Goodwill	51.5	54.6
	Tangible & intangible assets	35.5	19.0
	Non-current assets held for sale	-	2.6
WORKING CAP	Debtors	7.8	4.3
	Cash*	49.9	50.1
	Creditors	(42.5)	(50.3)
DEBT	Bank loans	(5.3)	-
	Deferred consideration	(5.2)	(2.6)
		91.7	77.7
RESERVES	Share capital	0.4	0.4
	Shares to be issued	11.5	22.1
	Share premium/other	53.0	43.1
	Profit & loss	27.1	12.7
	Minority interest	(0.3)	(0.6)
		91.7	77.7

*Includes client liabilities of £15.0m (2007: £12.0m)

Q3 Cashflow

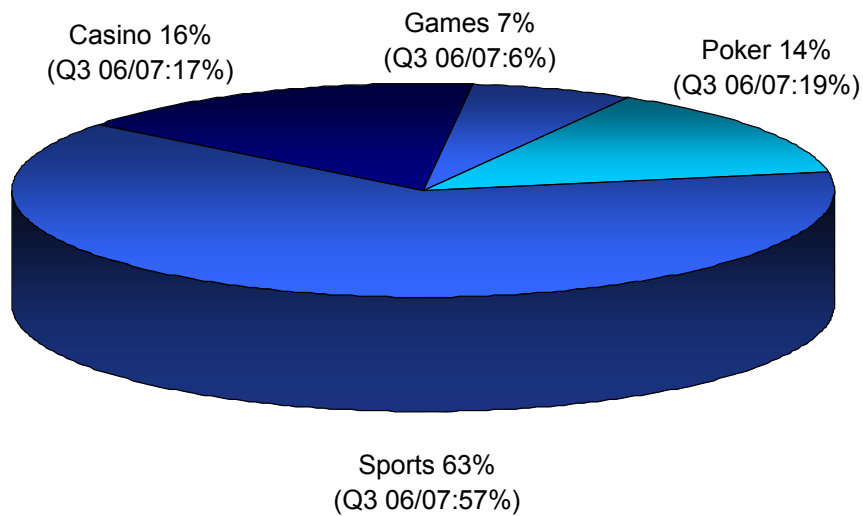
	£m	£m
Opening cash		47.6
EBITDA	8.7	
Working capital	2.0	
		10.7
Capital expenditure		(4.5)
Acquisitions		(4.0)
Interest received		0.1
Closing cash*		49.9

*Includes client liabilities of £15.0m (2007: £12.0m)



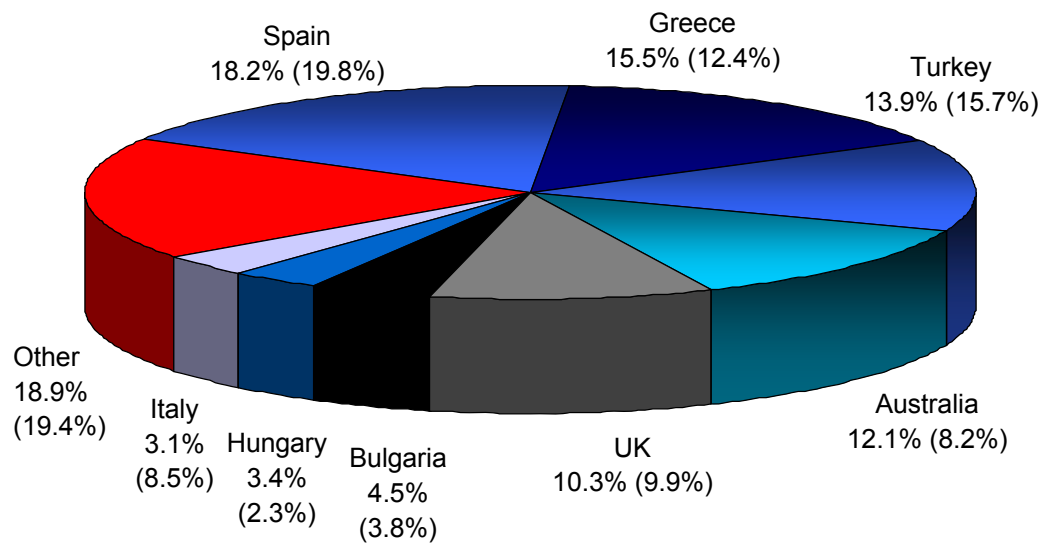
Operations

Group - Sector Breakdown



- ♣ Core sports betting offering continues to outperform growth of 'secondary' products
- ♣ Casino and Games revenues continue to benefit from continual upgrades
- ♣ Poker remains difficult in a slowing and very competitive market

Group – Geographical Breakdown

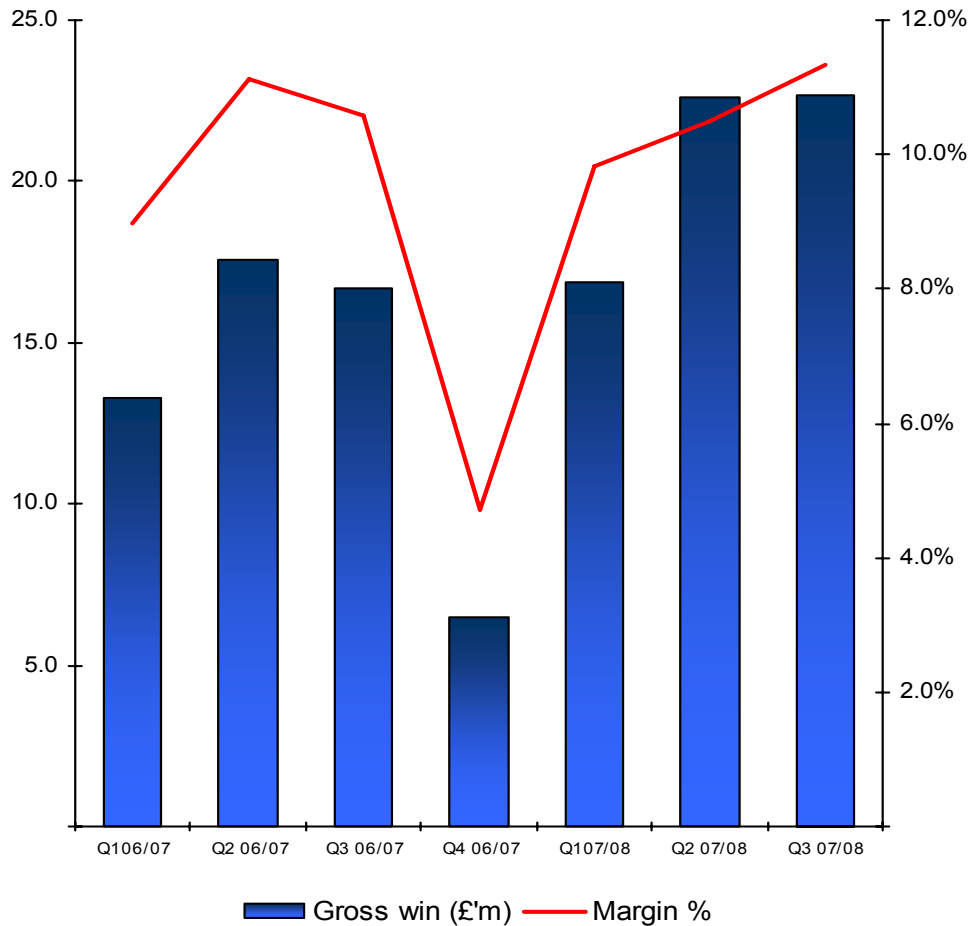


- ♣ Reduced reliance on Turkish market in order to build a more balanced geographical profile
- ♣ Greece continues to show very strong growth through new partner involvement
- ♣ Australian operations benefiting from increased volumes and better margin
- ♣ UK decline arrested and beginning to build USPs amongst customer base
- ♣ Italian business deliberately reduced to core profitability
- ♣ Smaller domains, including recently acquired Bulgarian domain, performing well

Europe – KPIs

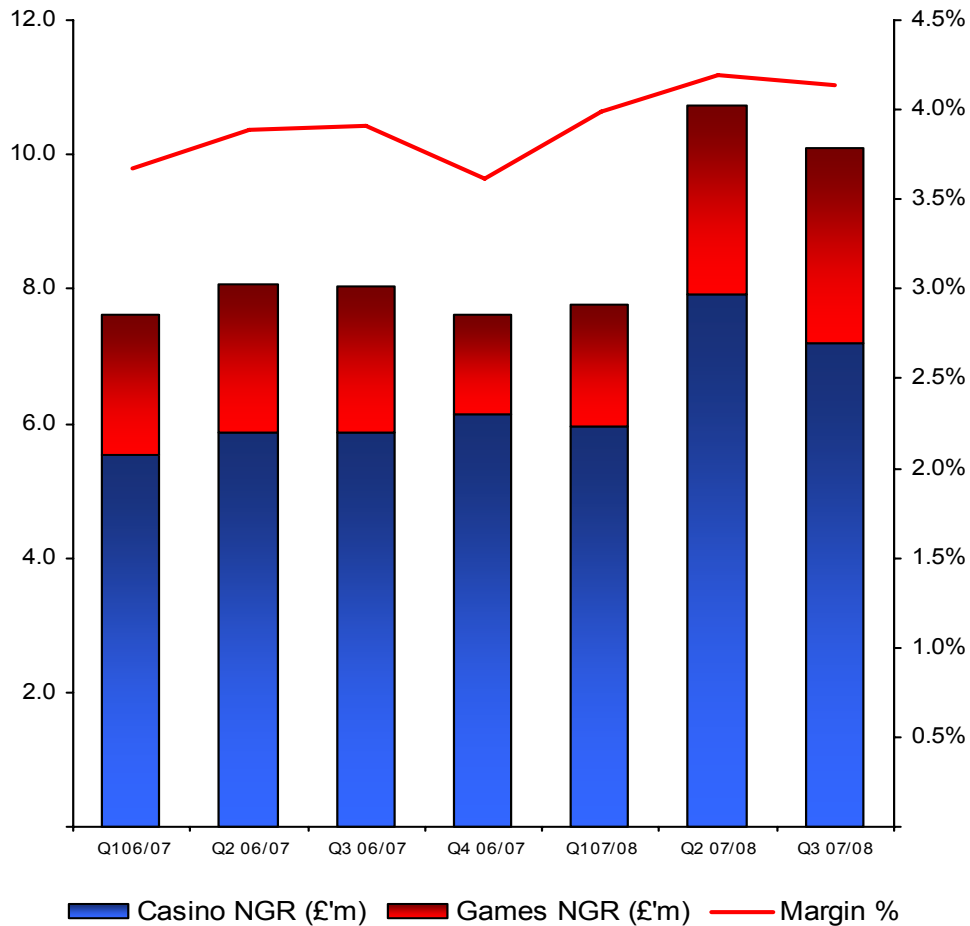
	Q3 2008	Q3 2007	+/-
Sports actives	236,530	215,348	+9.8%
Sports bets	13.8m	12.9m	+7.4%
Sports bets / active	58	60	-3.3%
Sports bet size	£14.47	£12.26	+18.0%
Sports margin %	11.3%	10.6%	+6.6%
Yield per sports active	£95.77	£77.47	+23.6%
Casino bets	45.1m	36.9m	+22.4%
Casino bet size	£4.90	£4.83	+1.4%
Casino margin %	3.3%	3.3%	-1.2%
Poker – average daily rake	£67.8k	£73.8k	-8.1%

Europe – Sports (NGR)



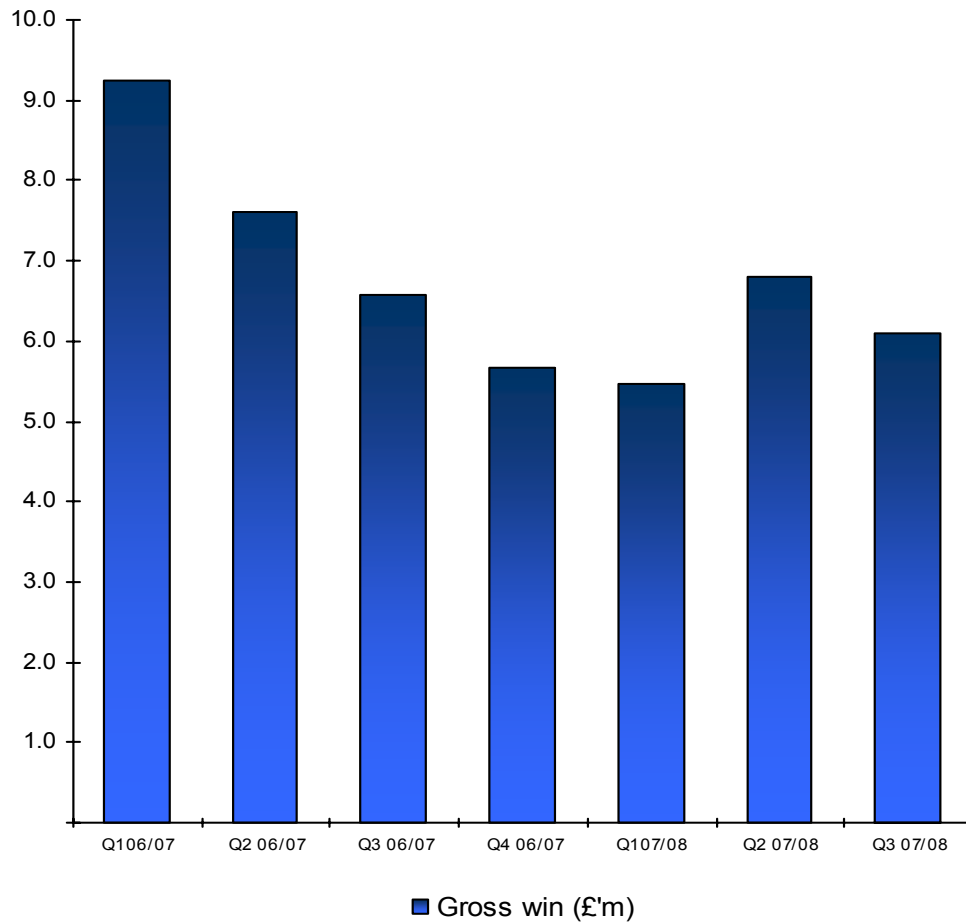
- ♣ Growth led by volume;
 - ♣ Customer numbers up 10% yr on yr
 - ♣ Sports turnover up 27% yr on yr
 - ♣ Yield per player up 24% yr on yr
- ♣ Further product enhancements - additional 1,500 betting markets on average day
- ♣ Broader portfolio of sports;
 - ♣ In-running betting up 60% yr on yr
 - ♣ Tennis turnover up 60% yr o yr

Europe – Casino & Games



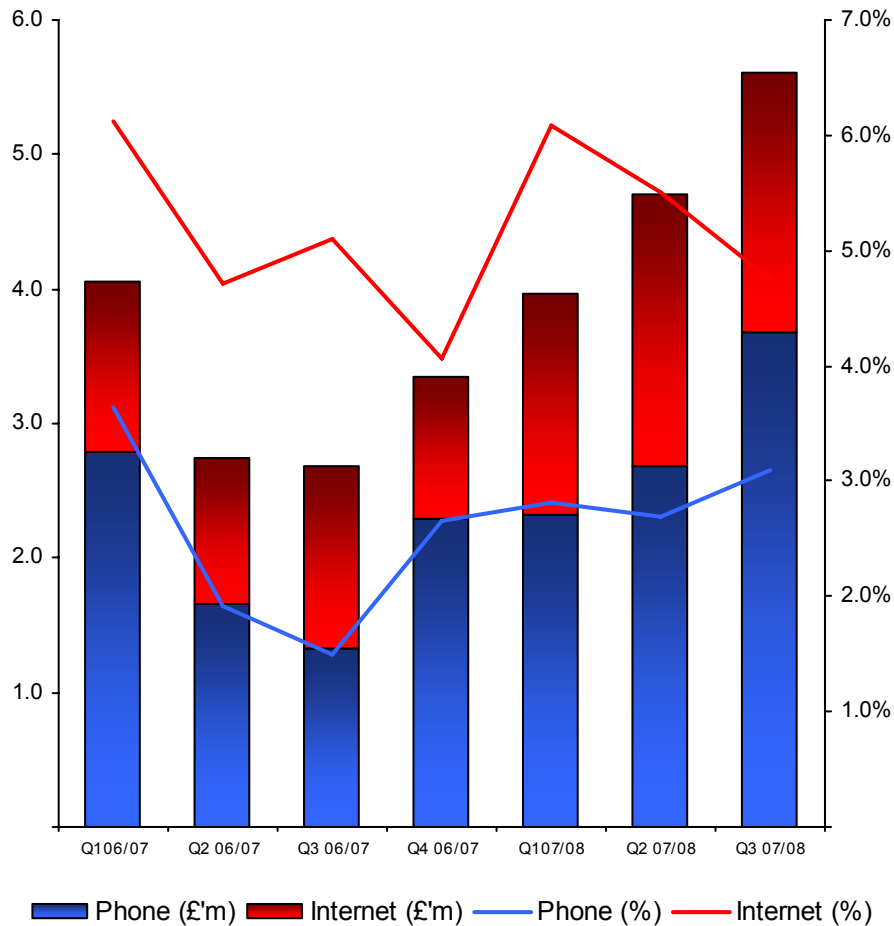
- ♣ Gains from release of new product in Q2 maintained through Q3
- ♣ Games volumes strong on the back of release of 'quick' style embedded games
- ♣ Further overhaul of casino and games offerings underway
- ♣ Casino and games play impacted by reduction in Turkish business

Poker



- ♣ Poker impacted heavily from reduction in Turkish volumes
- ♣ European market remains highly competitive
- ♣ Seasonal impact expected through Q4

Australia (NGR)



- ♣ Continued strong growth in Australian business
- ♣ Clear number one independent bookmaker in Australia
- ♣ Further development of both internet and telephone channels
 - ♣ Internet – NGR up 26% yr on yr
 - ♣ Telephone – NGR up 144% yr on yr
- ♣ Strong margin on Telephone (predominantly horse racing) partially offset by slightly weaker margin on Internet (more sports orientated)

Australia – KPIs

	Q3 2008	Q3 2007	+/-
Sports actives	15,933	11,852	+34.4%
Internet			
Sports bets	2.4m	1.6m	+49.8%
Sports bets / active	177	167	+6.2%
Sports bet size	A\$35	A\$42	-16.3%
Sports margin %	4.6%	5.1%	-9.8%
Telephone			
Sports bets	0.4m	0.4m	+1.0%
Sports bets / active	73	86	-14.3%
Sports bet size	A\$668	A\$634	+5.3%
Sports margin %	3.1%	1.4%	+115.3%

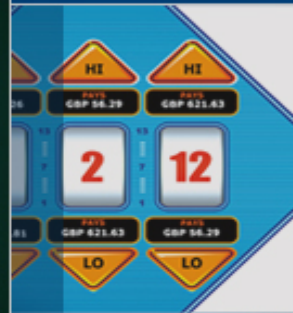
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PAYS GBP 62.26	PAYS GBP 56.29	PAYS GBP 621.63	
GO	3	2	12
PAYS GBP 310.81	PAYS GBP 621.63	PAYS GBP 56.29	
LO	LO	LO	



Regulation

Regulation

- ♣ Little change since quarter two update
- ♣ Turkey update
- ♣ US update



Current Trading & Summary

Current Trading and Summary

- ♣ YTD operating profit £19.0m

- ♣ May performance
 - ♠ European sports betting turnover up 26% yr on yr, although margin has been below average
 - ♠ Australian sports betting turnover up 40% yr on yr on a favourable margin

- ♣ Operating profit margin targets being achieved

- ♣ Board remains confident of year-end outcome