

INTERIM RESULTS

Six months ending 30 June 2011



AGENDA

- **Introduction** Roger Withers, Chairman
- **Financial Review** David Mathewson, CFO
- **Review of H1** Mor Weizer, CEO
- **Strategic Positioning & PTTTS Spotlight**
- **Current Trading**
- **Questions and Answers**



OVERVIEW

- **Strong performance across key financial metrics**
 - Gross income up 8%; (19% ex-France)
 - Adj EBITDA up 4%
- **Strategic opportunities for M&A and JVs**
- **Becoming supplier of choice to the gaming industry**



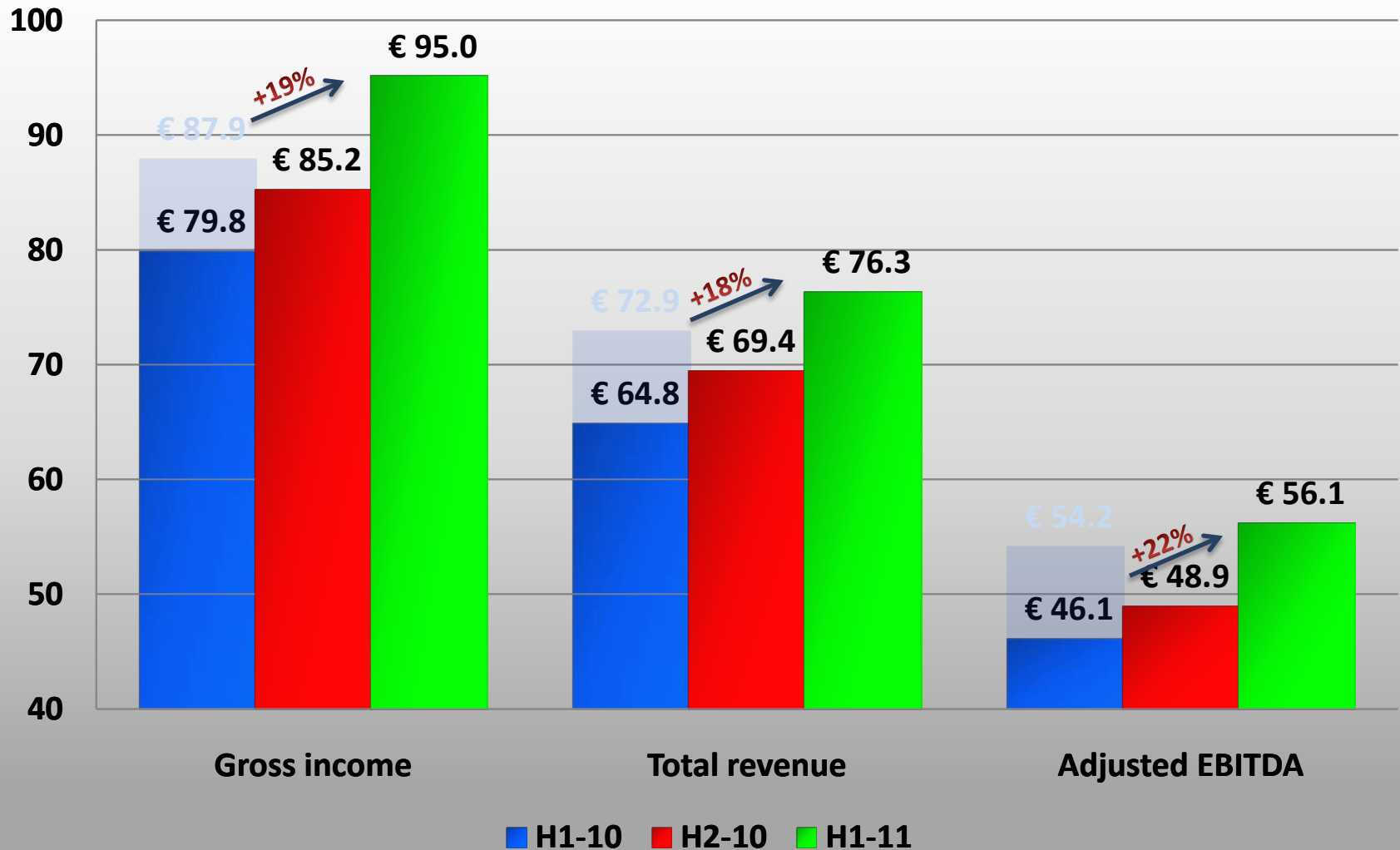
CORPORATE MILESTONES

- **Strategic Partnerships delivering**
 - Videobet: The Global Draw
 - Sciplay JV with Scientific Games

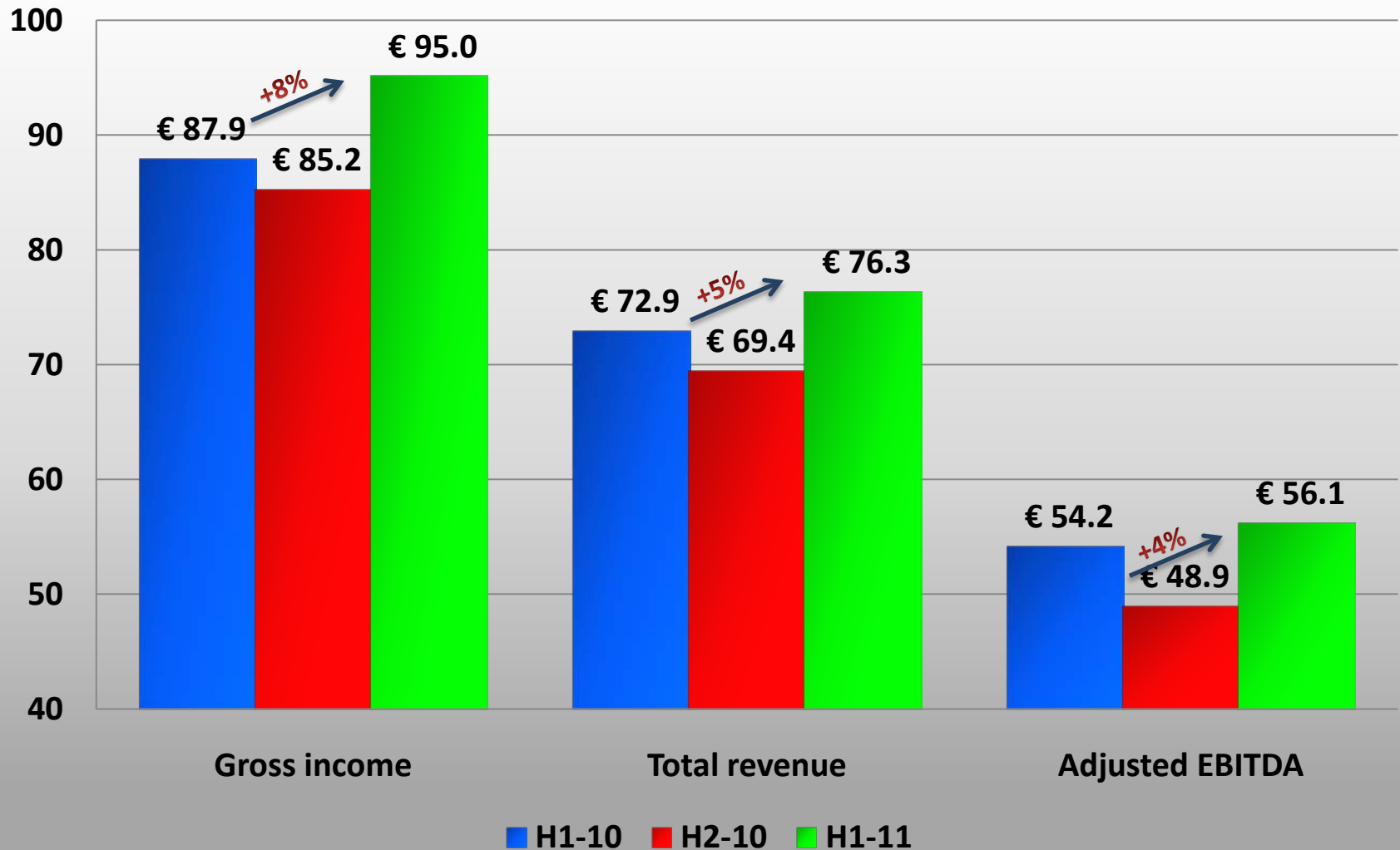
- **Acquisitions broadening reach**
 - Intelligent Gaming (Jan 11)
 - PTTS Turnkey (Mar 11)
 - Mobenga (July 11)



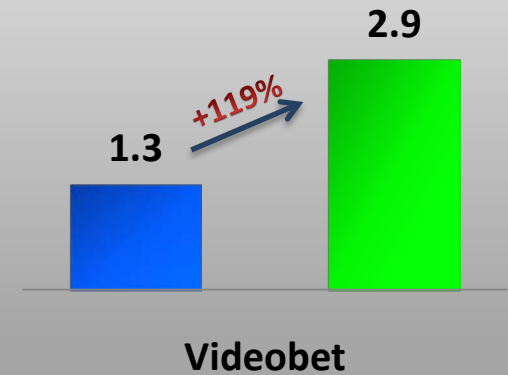
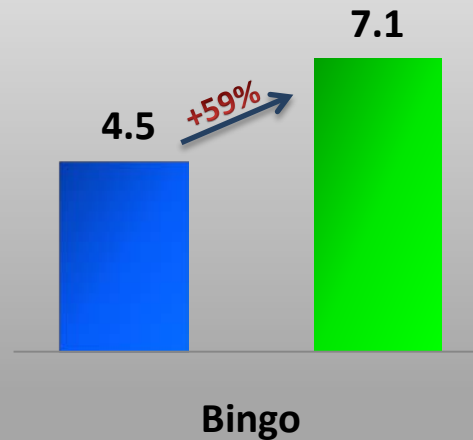
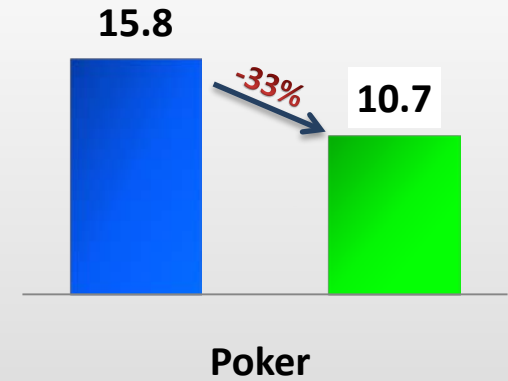
FINANCIAL HIGHLIGHTS (IN € MILLIONS) Excluding France offshore



FINANCIAL HIGHLIGHTS (IN € MILLIONS) Reported results



TOTAL REVENUE (IN € MILLIONS)



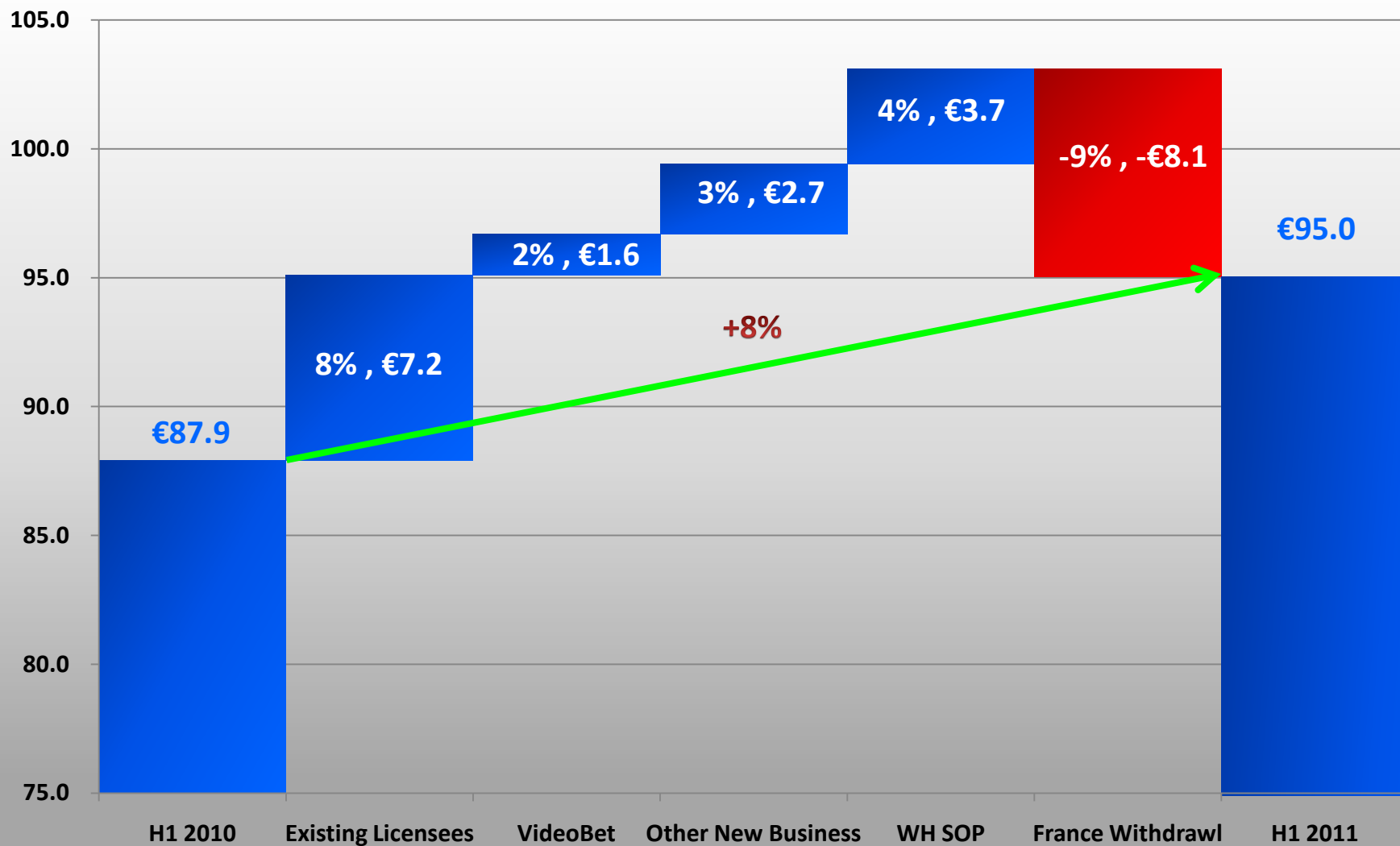


- A significant portion of UK FOBT market uses Videobet technology
- €7.2m invested for the purchase of machines, through the ITL JV with Global Draw
- ROI already at 30% and is anticipated to be paid back within less than 12 months
- Stable EBITDA margins now in line with Playtech's consolidated margin ratio

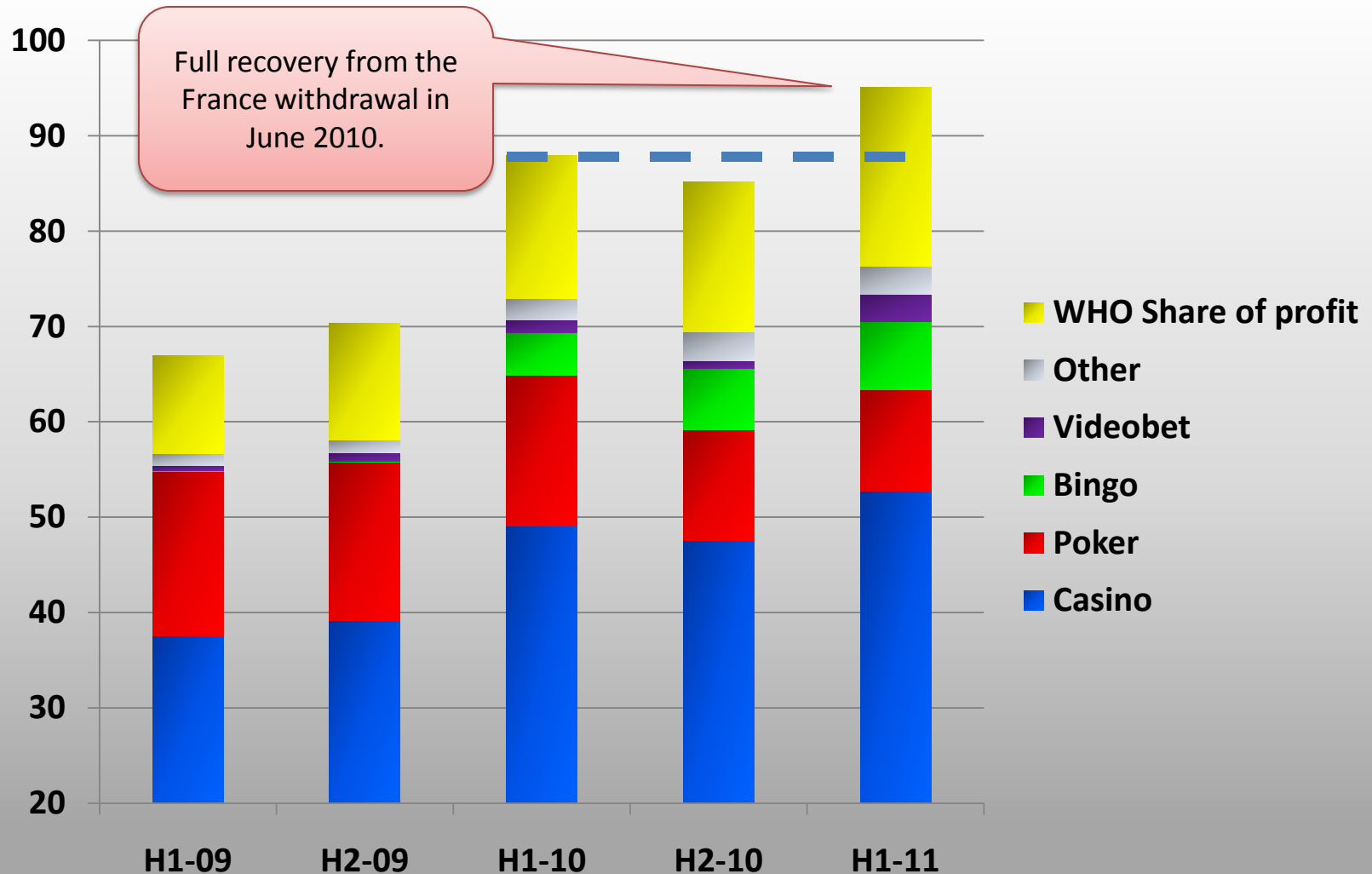
DIVERSITY OF LICENSEES

| | H1 2010 | H1 2011 |
|---------------------------|---------|---------|
| Top 2 licensees | 33% | 27% |
| Top 5 licensees | 49% | 48% |
| Top 10 licensees | 64% | 64% |
| Top 15 licensees | 74% | 72% |
| | | |
| Licensees > €2m revenue | 8 | 8 |
| Licensees > €0.5m revenue | 29 | 29 |

GROSS INCOME GROWTH (in € millions)



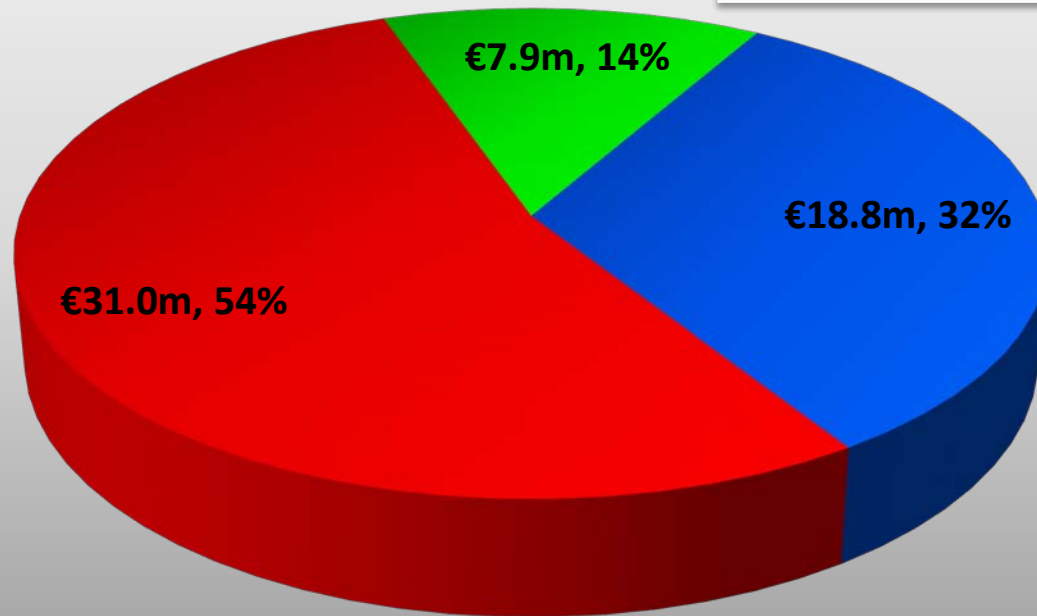
GROSS INCOME GROWTH (in € millions)



ANALYSIS OF COSTS & EXPENSES

Operating Expenses H1 2011

| | H1-10 | H2-10 | H1-11 |
|----------------------|--------|--------|--------|
| Total Revenue | €72.9m | €69.4m | €76.3m |
| Revenue Driven Costs | €6.4m | €6.7m | €7.9m |
| % out of Revenue | 8.8% | 9.7% | 10.3% |

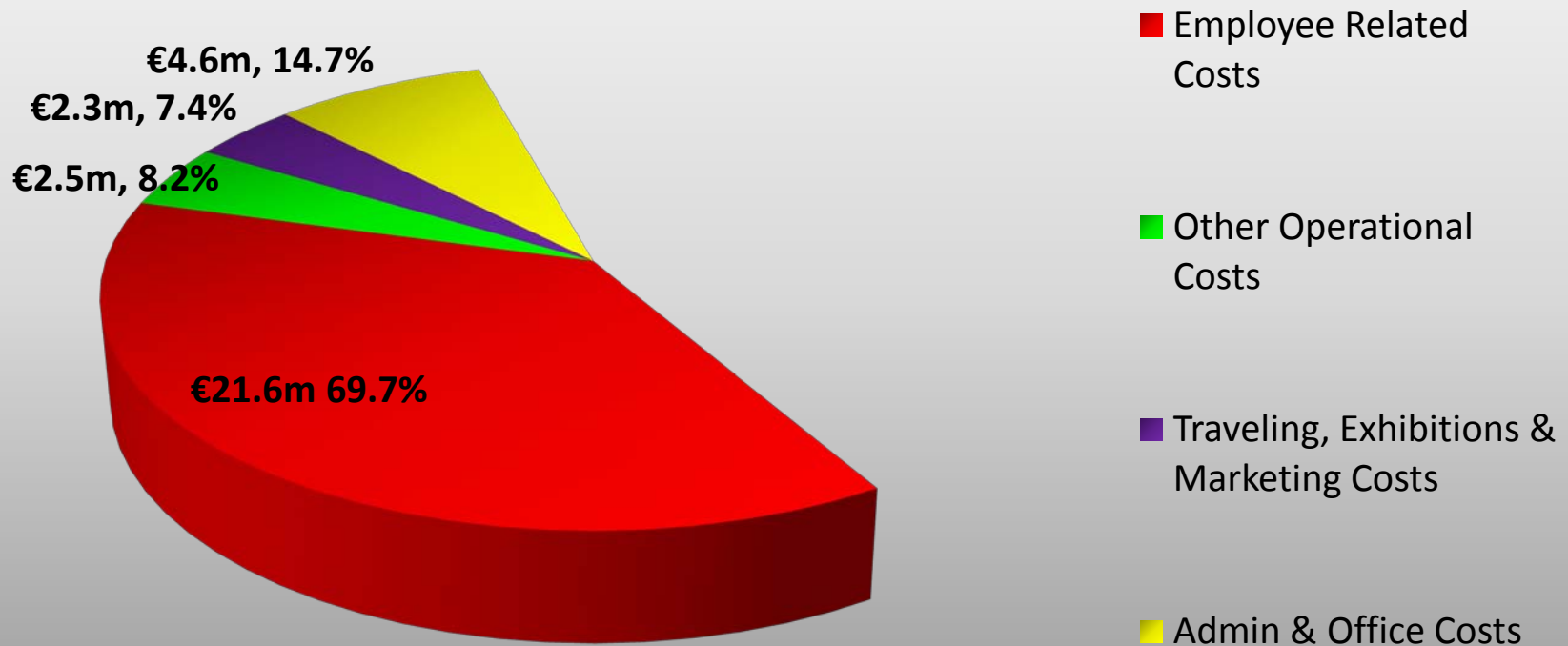


- Adjustable Operating Expenses Including Dep & Amor
- Adjusted Expenses Excluding Dep & Amor
- Revenue Driven Costs

ANALYSIS OF COSTS & EXPENSES

Operating Expenses H1 2011 (€31.0m= 100%)

(excl' Dep&Amor & Revenue driven costs)



ANALYSIS OF COSTS & EXPENSES

Operating Expenses H1 2011 (€31.0m= 100%)

(excl' Dep&Amor & Revenue driven costs)

| | H1-10 | H2-10 | H1-11 |
|---|--------|--------|--------|
| Adjusted Operating Expenses w/o Revenue Driven Costs | €27.3m | €29.8m | €31.0m |
| Employee Related Costs | €18.8m | €20.8m | €21.6m |
| % out of Adjusted Operating Expenses w/o Revenue Driven Costs | 68.9% | 69.7% | 69.7% |
| Admin & Office Costs | €3.8m | €4.4m | €4.6m |
| % out of Adjusted Operating Expenses w/o Revenue Driven Costs | 13.9% | 14.6% | 14.7% |
| Travelling, Exhibitions & Marketing Costs | €2.4m | €2.2m | €2.3m |
| % out of Adjusted Operating Expenses w/o Revenue Driven Costs | 8.8% | 7.2% | 7.4% |
| Other Operational Costs | €2.3m | €2.5m | €2.5m |
| % out of Adjusted Operating Expenses w/o Revenue Driven Costs | 8.4% | 8.4% | 8.2% |

CASH FLOW

PTEC continues to be highly cash generative with strong conversion rate from adjusted EBITDA

Net cash provided from operating activities including cash received from WHO – €45.0m

Conversion from adjusted EBITDA – 80%

Cash Used in investing activities:

- Acquisition of Intelligent Gaming Systems – **€2.8m**
- Investment in ITL and Sciplay – **€4.1m**
- Cash paid for the acquisitions of Virtue Fusion, GTS – **€11.3m**
- Capex and capitalised development cost – **€7.5m**

Cash used in financing activities – dividend paid in period – €23.4m

(*) Full summary of the cash flow statement is detailed in the appendices

CASH FLOW

Existing cash commitments to be paid in the future include:

- PTTS – €140m + payment based on earnout of x7 2014 results
- GTS – based on earnout of 1.5 2011 results
- Mobenga – €8m + payment based on earnout of x6 2013 results
- Final payment for the acquisition of assets related to the investment in WHO – € 14m

BALANCE SHEET

Robust balance sheet

Cash balance of €64.3m at 30 June 2011

Total Balance Sheet – €386.8m

Main Assets & Investments

VF – €34.9m

GTS – €19.8m

Tribeca – €22.3m

Investment in WH Online – €159.2m

Investment in International terminal leasing – €7.2m

Other investments – €10.9m

(*) Full summary of the balance sheet statement is detailed in the appendix

REVIEW OF H1 2011



CONTENT

Casino:

- 36 new games developed, 19 delivered to licensees
 - 15 branded games including Kong: 8th Wonder of the World, Spamalot, Iron Man 2
 - Additional themed content including Easter Surprise, Tennis Stars
 - Innovative slot format: 'Mr Cashback'
 - Move to monthly release cycle
-
- **Poker:** Poker side games for RAY, side betting product
 - **Bingo:** Branded games: Lucky Numbers, BGT (Mecca)
 - **Sports:** Further development including horseracing
 - **VBet:** 5 new games launched for Czech market



PRODUCT INITIATIVES

- Preparation for Italian and Spanish markets
- Development of new Portal format giving greater flexibility
- New casino lobby & mini games platform
- Mobile poker product
- Enhanced bingo customer retention tools
- Maltese regulatory approval for Live product
- IG: slot management & BIS systems launched



POKER MARKET

- **Offshore poker market has been subdued >18 months**
- **Recent trends/ activity reflects new market dynamic**
 - Growth in tournament activity
 - PTEC has cumulative \$30m in prizes
 - Ongoing strength in quiet summer period
- **Benefits seen most in strong brands**
- **Poker outlook uncertain, but regulated markets will be key**
 - Italy showing real strength
 - Spain, France, Finland
 - US potential in longer term



NEW LICENSEES & MARKETS

Markets

- Italy: casino & cash poker: 8 licensees launched
- Spain: casino & poker in Madrid region: CGM launched
- North America: progress in US

Licensees

- Nordic Gaming (launched Jan 11)
- COPA (signed May 11)
- Gala Coral (signed July 11)
- Strong pipeline

PARTNERSHIPS

Videobet

- UK rollout with The Global Draw completed: >20,000 machines



Sciplay

- Services mandate for COPA: greenfield operation in California
- B2G opportunities in Americas & Europe



Sportech

- Migration of existing sites underway
- Joint product initiatives



William Hill Online

- Continued strong performance





STRATEGIC INITIATIVES

ACHIEVING OUR STRATEGIC OBJECTIVES

- Maintaining leading market position and profile
- Delivering broad & dynamic content, product & network suite
- Enhancing current flexibility of market approach
- Achieving a market-defining, integrated cross platform capability
- Extending across value chain by providing a full turnkey solution

PTEC is becoming the *supplier of choice*
for well-established operators

ACQUISITIONS BROADENING REACH

- Acquisitions leverage key industry convergence trends
- Deliver technology advances and quality client base
- Developing integrated cross platform capability

Mobenga (Jul 11)

- Market leading mobile sports enabler
- Highly flexible platform delivering products onto smart phones/tablets
- Clients include Paddy Power, WHO
- Potential to extend platform across gaming products

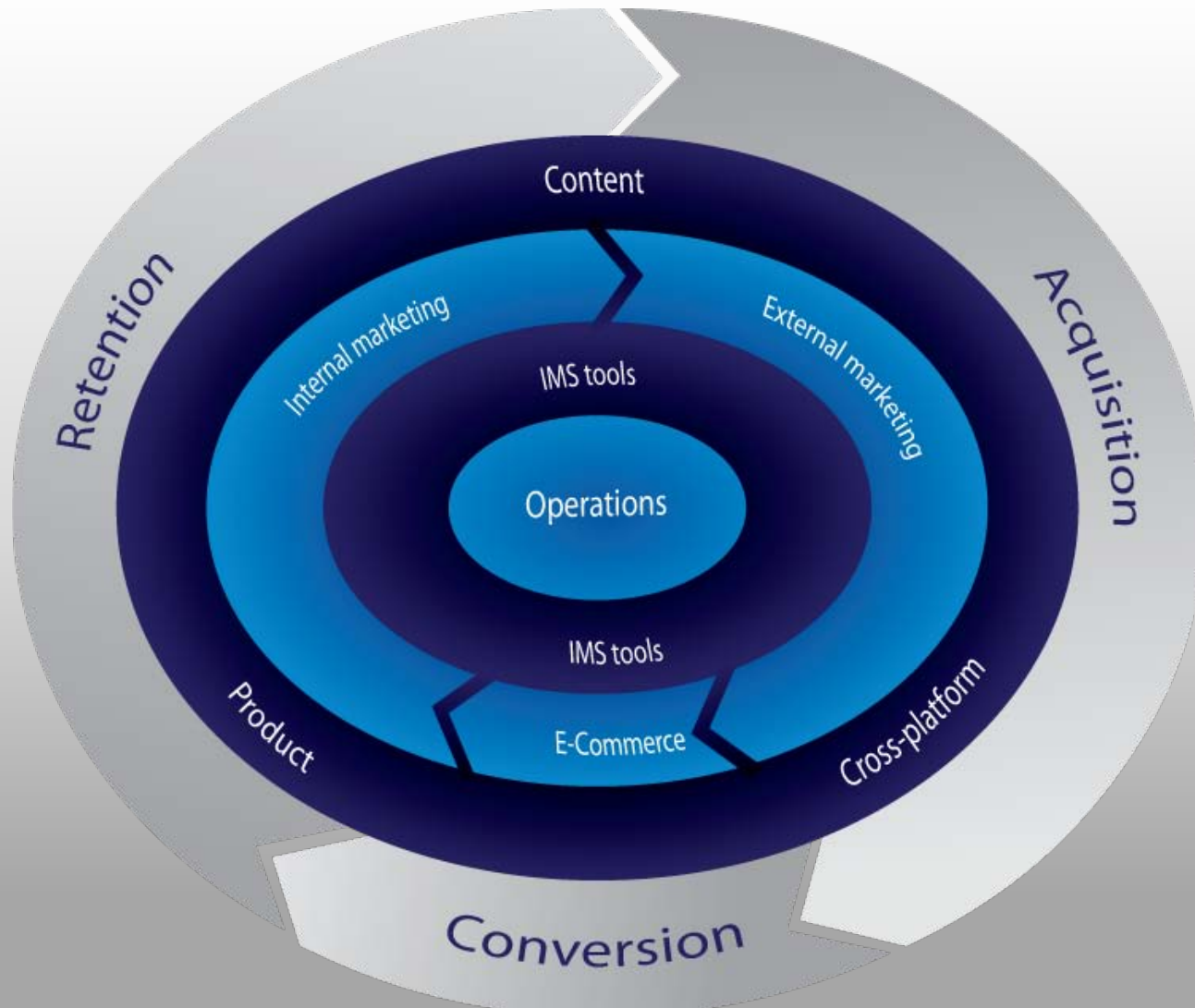
Intelligent Gaming (Jan 11)

- Extending capability onto land-based casino floors
- Installations growing in UK and elsewhere

OPERATOR VALUE CHAIN

- **Maximising player lifetime value (LTV) key to performance**
- **Strong player acquisition and retention abilities: fundamental**
- **Successful ROI through harnessing complex dynamic:**
 - Lower cost acquisition
 - achieves efficient marketing reach
 - Maximise retention
 - to deliver high Player LTV and ROI
 - Cost efficient operations
 - for competitive advantage

OPERATOR VALUE CHAIN



OPERATOR BUSINESS MODEL

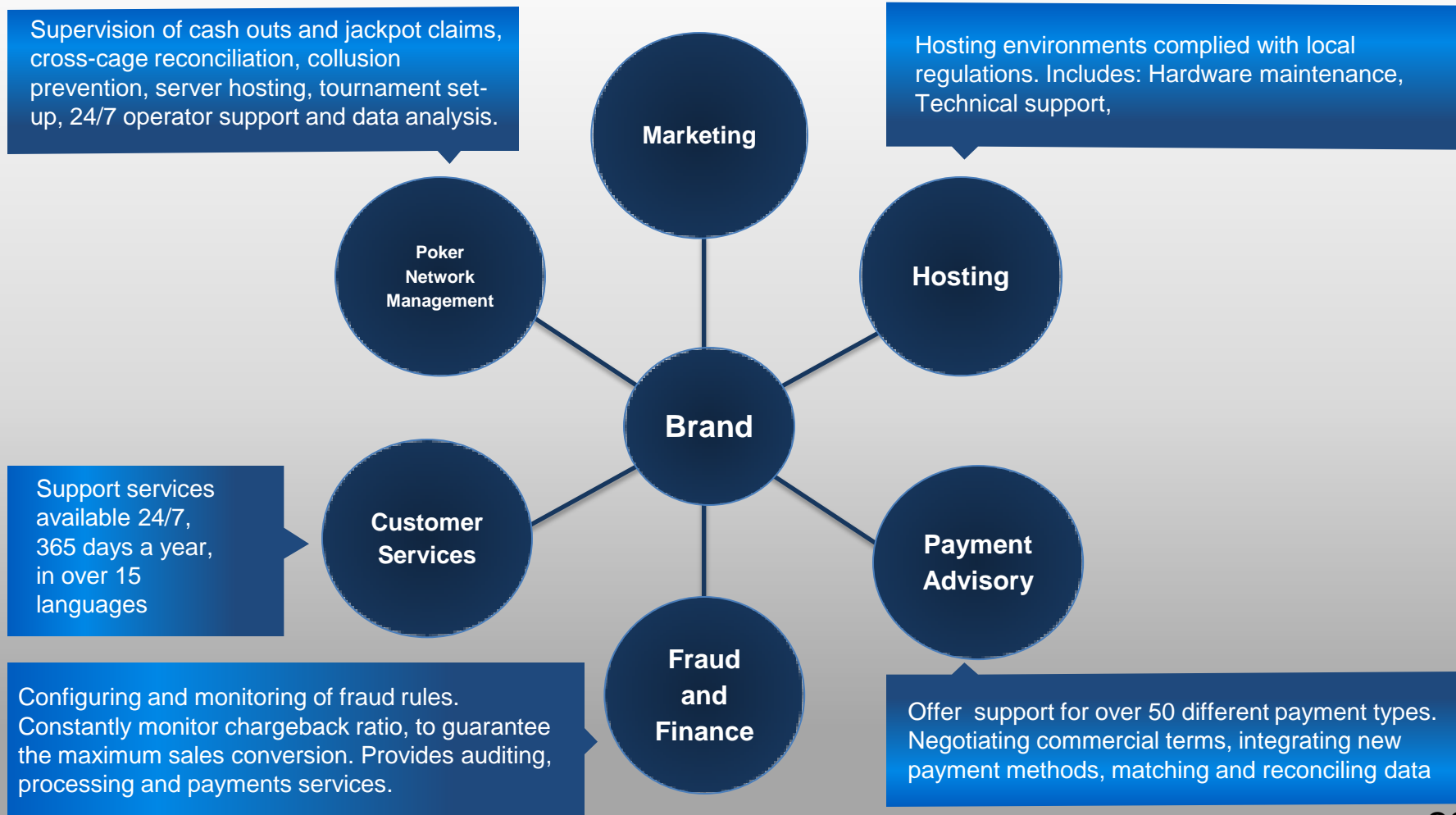
- **Operator has certain core responsibilities**
- **Appetite for outsourcing depends on:**
 - Business strategy & priorities
 - In-house capability & experience

| Operator core role | Can outsource |
|--|--|
| Brand management Business strategy Financing | <u>Software</u> Technology Content |
| Regulation Player cash mgmt | <u>Services</u> Player acquisition Player retention Operations – hosting; reconciliations; fraud |

PTTS MARKETING CAPABILITIES

| Acquisition | |
|--------------------------|---|
| External | <ul style="list-style-type: none"> • Experienced in targeting players across .com/ .net • Track record in all European & international markets • Optimising marketing spend across channels/ media • Understand dynamic of changing/ seasonal markets |
| Affiliate network | <ul style="list-style-type: none"> • One of the largest & most successful networks • Trusted partner: premium access to top performing affiliates • Affiliates confident even new PTTS operators will perform |
| Retention | |
| Internal / CRM | <ul style="list-style-type: none"> • 10yr experience in segmentation, VIP and loyalty mgmt • Added-value CRM teams in multiple languages • Analysis of player P&L to focus on greatest LTV potential • Know when to/ <u>not</u> to bonus certain player types |

PTTS OPERATIONAL SERVICES



VALUE OF THE PTTS TURNKEY SOLUTION

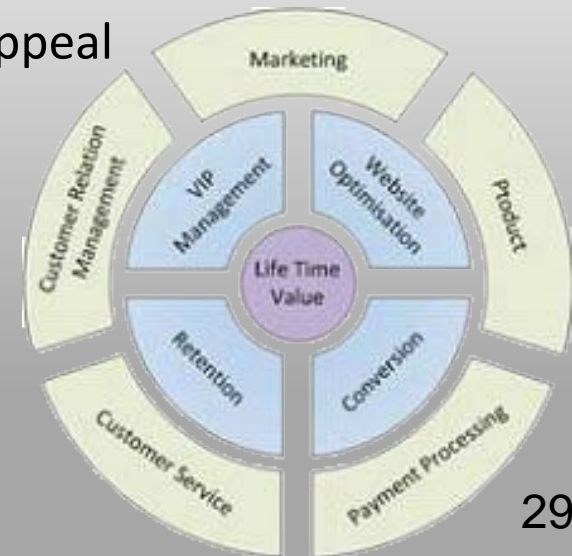
- Levels playing field for operator in highly competitive marketplace
- Harnesses 10 years of experience and relationships
- Combining software & services immediately boosts capability
- Minimal upfront cost across software or services & infrastructure

PTEC software: sophisticated tools and analytics

- IMS allows operator to manage each player as separate P&L
- Breadth of content and product maximises player appeal

PTTS services: expertise leverages IMS tools to:

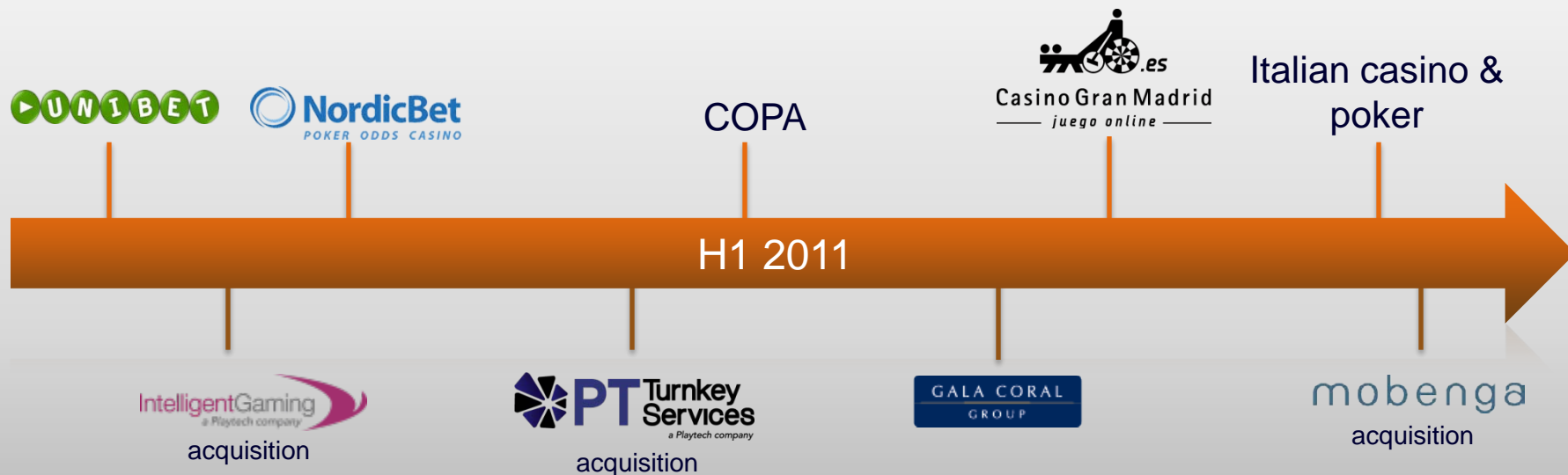
- Minimising player acquisition cost
- Maximising player lifetime value
- Minimising operational costs





CURRENT TRADING

MOMENTUM THROUGH H1



Q3 MOMENTUM

- **Strong performance in traditionally slow quarter**
- **Daily average growth vs. Q3/10: over 23%**
- **Daily average vs. Q2/11: over 2% ahead**

Q&A



APPENDIX



ADJUSTED EBITDA

| | H1 '10 | H2 '10 | H1 '11 |
|--|---------------|---------------|---------------|
| | €'000 | €'000 | €'000 |
| Operating profit | 28,989 | 16,320 | 21,829 |
| Amortisation | 6,382 | 7,292 | 7,804 |
| Depreciation | 1,423 | 1,993 | 1,837 |
| EBITDA | 36,794 | 25,605 | 31,470 |
| Share of Profit of associates before amortisation of intangibles | 15,013 | 15,779 | 18,720 |
| Change in FV of available for sale investment (CYF & ALOG) | (231) | 2,454 | 551 |
| Legal cost related to the litigation with WHO | - | - | 1,486 |
| Professional expenses on acquisitions | 765 | 1,037 | 1,256 |
| Employee stock option expenses | 1,825 | 4,030 | 2,620 |
| Adjusted EBITDA | 54,166 | 48,905 | 56,103 |
| Adjusted EBITDA margin | 74% | 70% | 74% |
| Adjusted EBITDA margin (out of gross income) | 62% | 57% | 59% |

ADJUSTED NET PROFIT

| | H1 '10 | H2 '10 | H1 '11 |
|--|---------------|---------------|---------------|
| | €'000 | €'000 | €'000 |
| Net profit | 36,958 | 27,712 | 37,860 |
| Amortisation of investment in WH Online | 4,922 | 3,344 | 2,864 |
| Change in FV of available for sale investment (CYF & ALOG) | (231) | 2,454 | 551 |
| Discounting of deferred consideration | 358 | 378 | 115 |
| Amortization on acquisitions | 3,564 | 3,952 | 4,005 |
| Employee stock option expenses | 1,825 | 4,030 | 2,620 |
| Professional expenses on acquisition | 765 | 1,037 | 1,256 |
| Exchange differences – on deferred consideration | - | 1,200 | - |
| Previous year one off tax | - | 939 | - |
| Exchange differences on deferred consideration | 2,394 | (1,194) | (26) |
| Legal cost related to the litigation with WHO | - | - | 1,486 |
| Adjusted net profit | 50,555 | 42,652 | 50,730 |
| Adjusted net profit margin | 69% | 61% | 66% |
| Adjusted net profit margin (out of gross income) | 58% | 50% | 53% |

CASH FLOW

| | H1 '10 | H2 '10 | H1 '11 |
|--|-----------------|-----------------|-----------------|
| | €'000 | €'000 | €'000 |
| Net profit | 36,958 | 27,712 | 37,860 |
| Depreciation, Amortisation | 7,806 | 9,285 | 9,642 |
| Employees Stock Options Expenses | 1,825 | 4,030 | 2,620 |
| Change in FV of available for sale investments | (231) | 2,454 | 551 |
| Income from associate | (15,013) | (15,779) | (18,720) |
| Amortisation of intangibles in associate | 4,922 | 3,344 | 2,864 |
| Exchange rate differences- deferred consideration | 2,394 | (1,194) | (1,185) |
| Net change in Assets and Liability & other adjustments | 8,565 | (4,875) | (6,259) |
| Net Cash Provided by Operating Activities | 44,832 | 26,171 | 27,373 |
| Dividend received from equity-accounted associates | 15,996 | 16,273 | 17,580 |
| Capex, intangibles & capitalised development costs | (5,924) | (9,156) | (7,859) |
| Acquisition of subsidiary net of cash acquired | (26,136) | - | (14,106) |
| Investment in held for sale investments | (11,332) | - | - |
| Proceeds from sale of available for sale investments | 2,665 | - | - |
| Investment in partnership | - | (2,430) | - |
| Investments in joint venture | - | (490) | (4,075) |
| Other | (852) | (332) | 287 |
| Net Cash Used in Investing Activities | (25,583) | 3,865 | (8,173) |
| Net Cash Provided by (Used in) Financing Activities | (17,991) | (21,475) | (23,464) |
| Increase in Cash and Cash Equivalents | 1,258 | 8,561 | (4,264) |
| Cash and Cash Equivalents at Beginning of year | 58,700 | 59,958 | 68,519 |
| Cash and Cash Equivalents at End of year | 59,958 | 68,519 | 64,255 |

BALANCE SHEET

| | H1 '10 | H2 '10 | H1 '11 |
|---|----------------|----------------|----------------|
| | €'000 | €'000 | €'000 |
| Cash and Cash Equivalents | 59,958 | 68,519 | 64,255 |
| Receivables | 21,599 | 22,749 | 26,734 |
| Investments (CYF, ALOG & Sportech) | 11,997 | 10,932 | 10,381 |
| Investment in WH and other equity associates | 165,606 | 162,583 | 166,832 |
| Intangible assets | 98,955 | 100,384 | 101,748 |
| Fixed Assets & other non current Assets | 13,148 | 18,946 | 16,855 |
| Total Assets | 371,263 | 384,113 | 386,805 |
| Deferred Revenue | 16,532 | 15,113 | 13,775 |
| Deferred consideration | 16,151 | 15,001 | 13,815 |
| Contingent consideration (VF & GTS) | 12,181 | 16,533 | 6,877 |
| Trade and other accounts payable | 22,810 | 24,669 | 22,757 |
| Progressive and other operators' jackpot | 15,295 | 12,847 | 12,615 |
| <i><u>Shareholders' Equity:</u></i> | | | |
| Share Capital and Funds | 188,486 | 189,690 | 189,969 |
| Available for sale reserve | (1,389) | - | - |
| Retained earnings | 101,197 | 110,260 | 126,997 |
| Total Liabilities and Shareholders' Equity | 371,263 | 384,113 | 386,805 |

DEPRECIATION & AMORTISATION

- **Depreciation**
 - In line with business growth, still immaterial
 - Capex additional growth only on dedicated investments for regulated markets
- **Amortisation**
 - Development costs (internally generated) – €3.0m
 - Amortisation on acquisitions/investments:
 - **Tribeca** – €1.6m
 - **WHO** – €2.9m
 - **GTS** – €0.7m
 - **Virtue Fusion** – €1.7m