
playtech
SOURCE OF SUCCESS
London
Stock Exchange
London
Stock Exchange

AGENDA

- **Introduction: Roger Withers, Chairman**
- **Financial review: Ron Hoffman, VP Finance**
- **Review of 2012 YTD and strategy: Mor Weizer, Chief Executive**
- **Questions and answers**

INTRODUCTION

GROSS INCOME	REVENUE	ADJ. EBITDA
↑ 86%	↑ 101%	↑ 64%
ADJ. NET PROFIT	**ADJ. BASIC EPS**	**INTERIM DPS**
↑ 67%	↑ 40%	7.8 € cents

- Playtech now a Premium Listed company on the LSE
- Strong cash flow
- Excellent performance of acquired businesses
- Strong current trading with very confident outlook for year end

FINANCIAL REVIEW

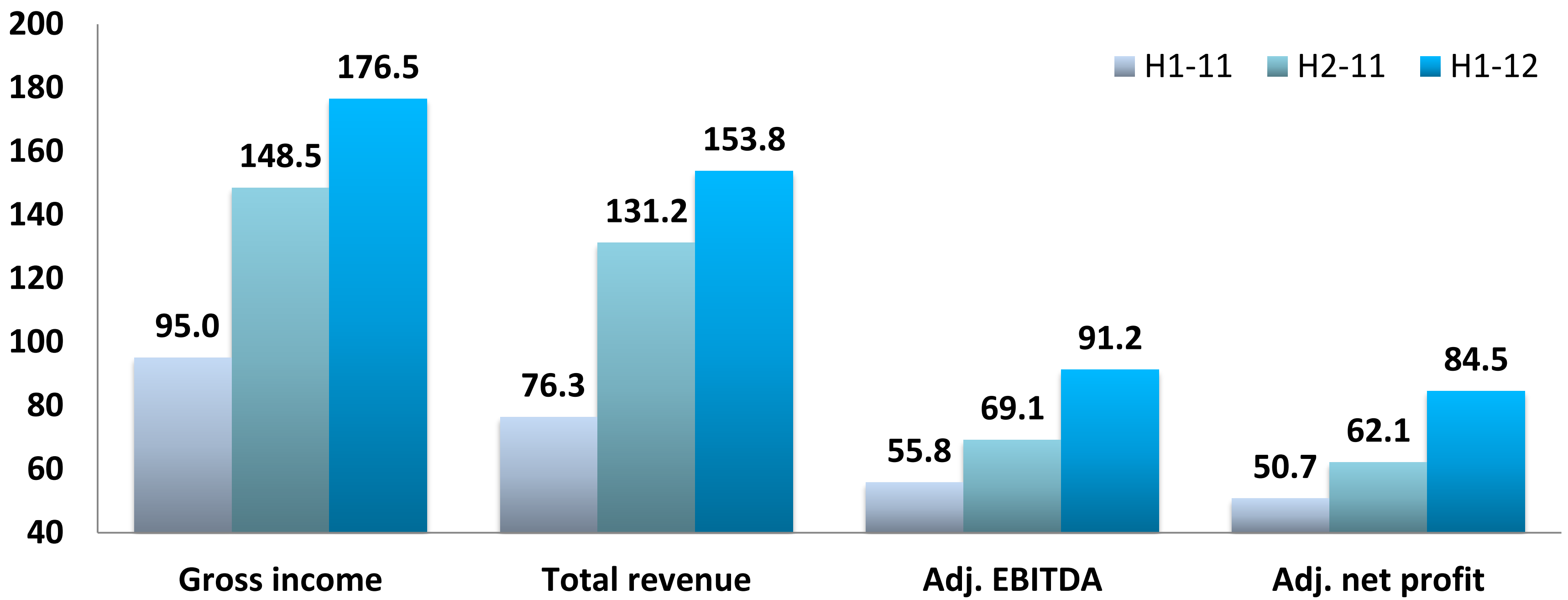
RESULTS HEADLINES

- Gross income up 86% to €176.5m
- Adjusted EBITDA up 64% to €91.2m
- Adjusted basic EPS up 40% to 29.2 € cent per share
- Robust balance sheet with total assets up 99% to €769.1m
- Cash from operating activities (including dividends from WHO) up 79% to €80.4m
- Continues to be highly cash generative to a growing business
- Steady and impressive organic growth
- Outstanding performance of acquired businesses

COMBINATION FOR SUCCESS

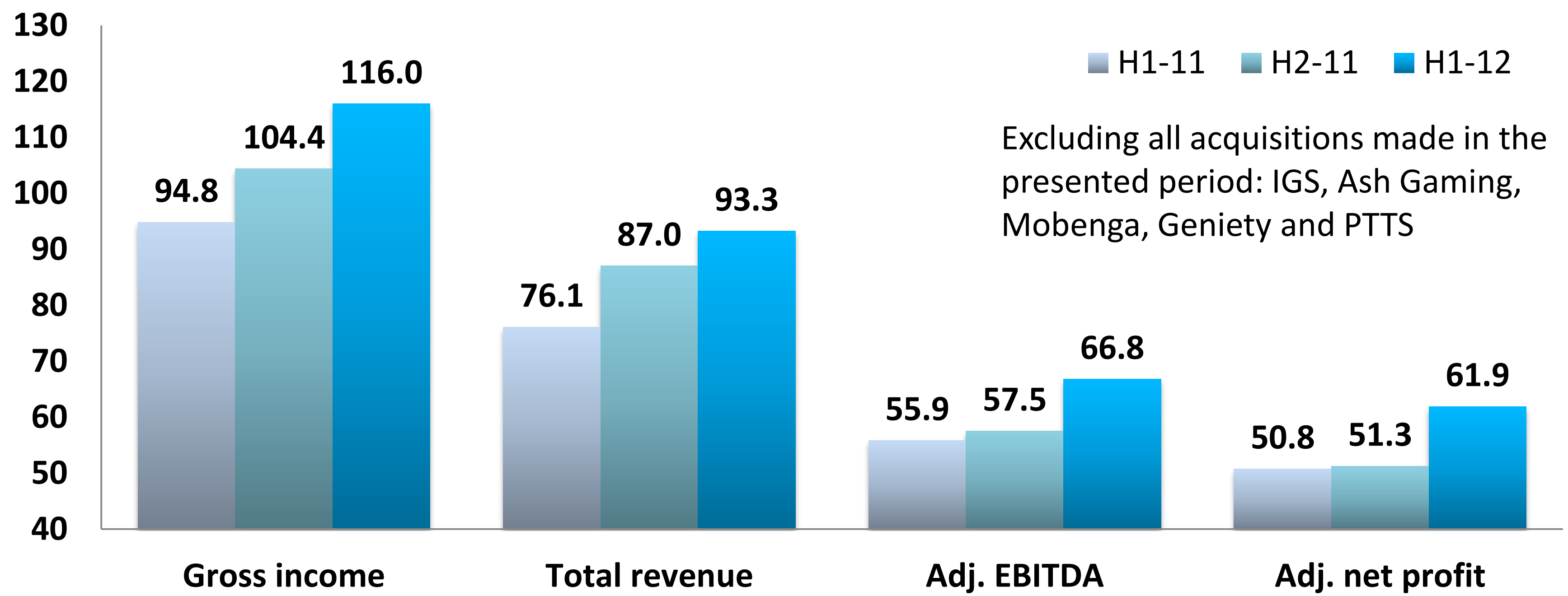
Financial review

FINANCIAL RESULTS SUMMARY



GROSS INCOME	REVENUE	ADJ. EBITDA	ADJ. NET PROFT
↑ 86%	↑ 101%	↑ 64%	↑ 67%

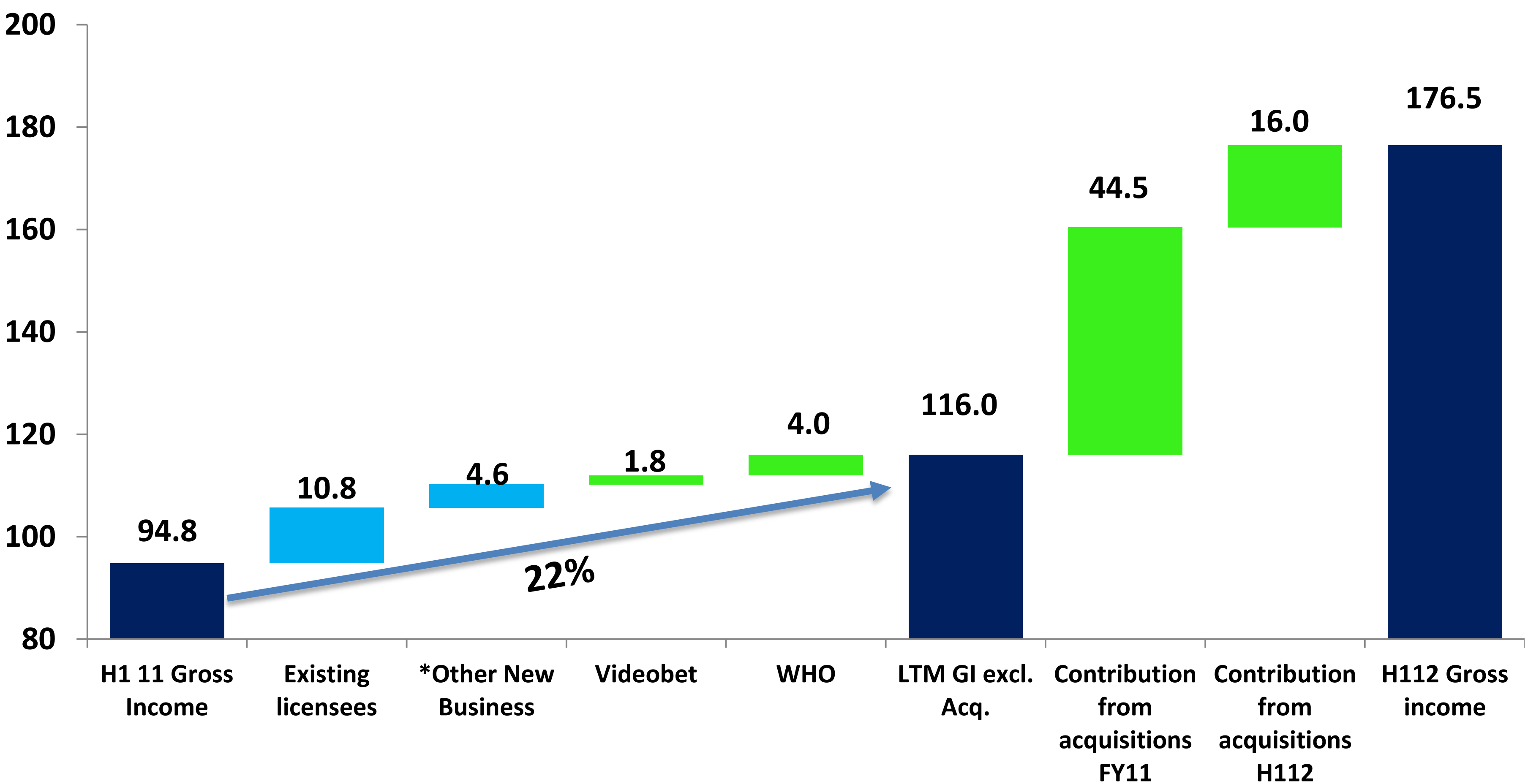
GROWTH EXCLUDING ACQUISITIONS



Excluding all acquisitions made in the presented period: IGS, Ash Gaming, Mobenga, Geniety and PTTS

GROSS INCOME	REVENUE	ADJ. EBITDA	ADJ. NET PROFT
↑ 22%	↑ 23%	↑ 20%	↑ 22%

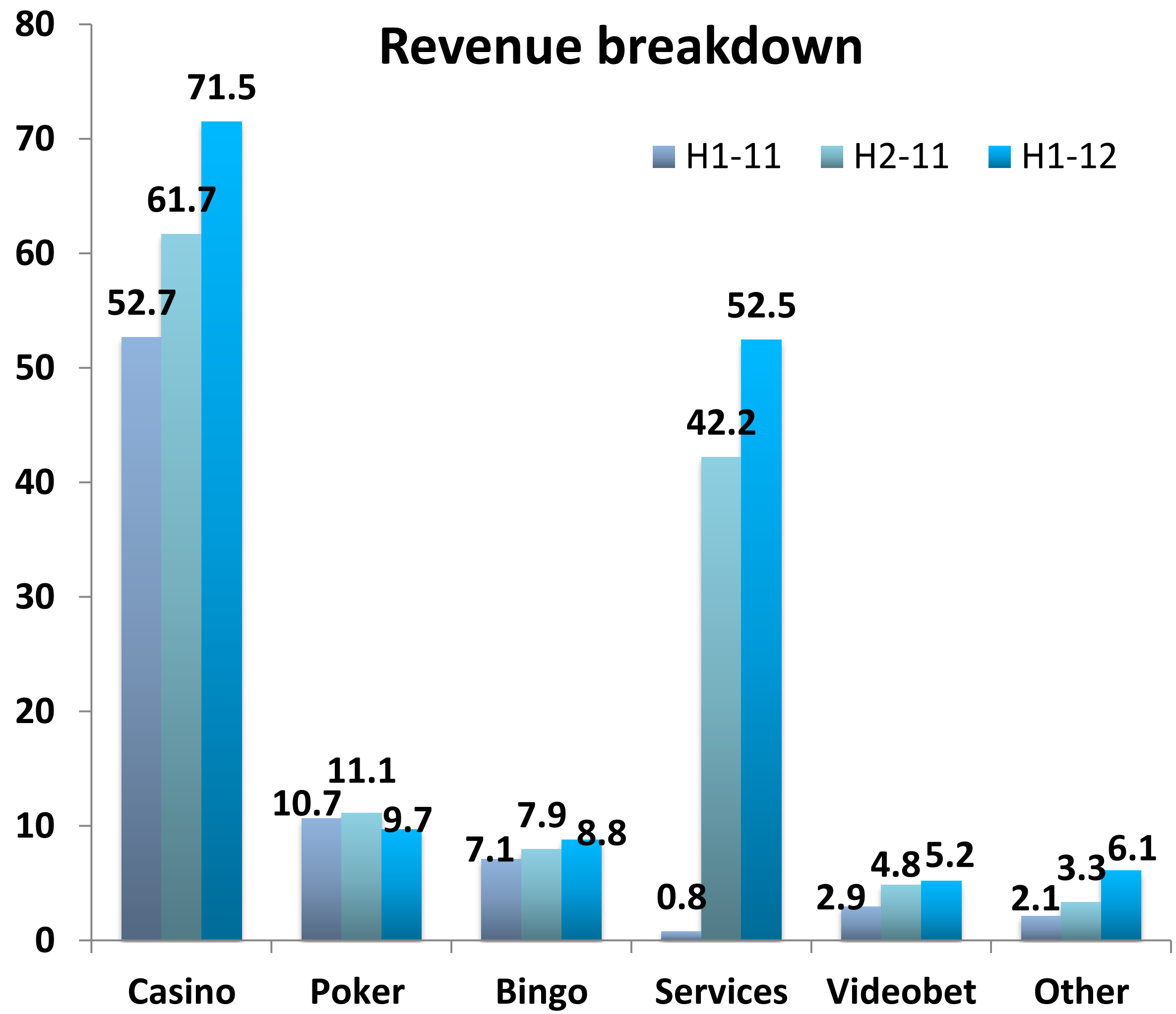
GROSS INCOME BRIDGE



*Other New Business defined as new licensees or new products which were launched in the past 18 months

PRODUCT BREAKDOWN

- Casino up 36% mainly from live casino, mobile, and branded games, further complemented by incremental revenues from the acquisition of Ash Gaming
- Poker down 9% in line with market trends
- Bingo up 24% mainly due to organic growth
- VB up 77% having a full effect in H1/12 of the GlobalDraw agreement from mid H1/11
- Other consists mainly of Mobenga which was purchased in H2/11



CUSTOMER CONCENTRATION

			Excl. Acquisitions*	
	H1-11	H1-12	H1-11	H1-12
Top 2 licensees	27%	41%	27%	26%
Top 5 licensees	48%	61%	48%	52%
Top 10 licensees	64%	73%	64%	66%
Top 15 licensees	72%	79%	72%	74%
Licensees > €4m revenues annually	8	11		
Licensees > €1.0m revenues annually	29	37		

Excluding acquisitions in the presented period*

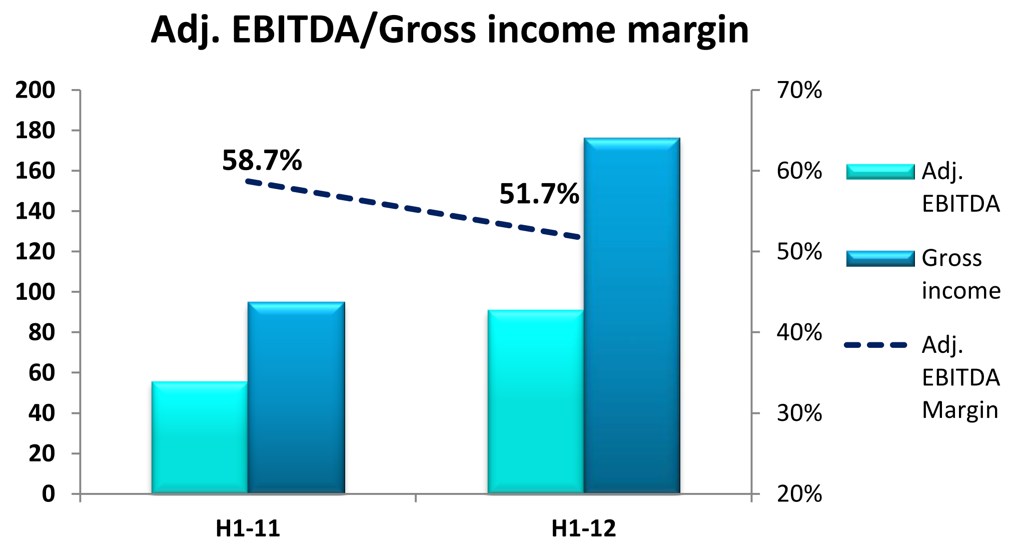
- **Customer concentration of the top licensees has increased, attributable to acquisitions and an overlap between customers of the acquired businesses and existing licensees**
- **After excluding acquisitions concentration levels have remained relatively constant, slightly increased from growth generated from existing licensees**
- **Three further licensees have grown to exceed €4m of revenues annually and eight licensees have grown to exceed €1m**

ADJUSTED EBITDA MARGIN

Adj. EBITDA/Gross income margin

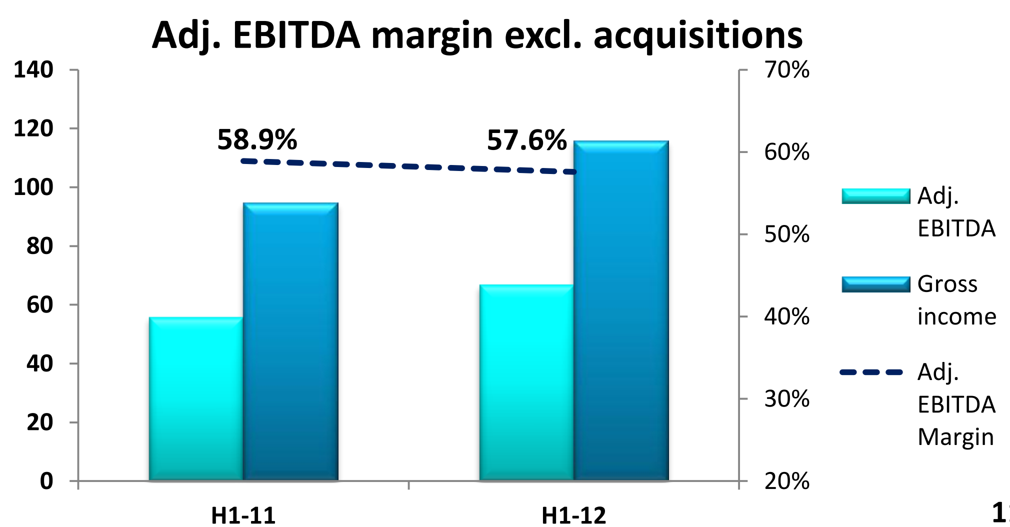
Factors affecting decrease in margin:

- **Acquisitions and integration of businesses of lower margins**
- **Impact of entrance into regulated markets including the introduction of gaming taxes**
- **Further investments and expansion of the Playtech offering**



Adj. EBITDA/Gross income margin excl. acquisitions

- **The slight decline in margin mainly due to further investments and expansion of the Playtech products**



ANALYSIS OF COSTS & EXPENSES

€ in millions	H1/12		H1/11	
Adj. Operational Costs	**85.2**		**38.9**	
Revenue-driven costs	17.6		7.3	
% out of revenue	11.4%		9.5%	
Adjusted operating expenses excluding revenue driven costs	67.6		31.7	
Employee related costs	47.0	69.6%	21.6	68.3%
Administration and office costs	7.1	10.5%	4.6	14.4%
Travel, exhibitions & marketing	3.5	5.3%	2.3	7.3%
Cost of services	4.8	7.0%	0.8	2.6%
Other	5.2	7.6%	2.4	7.4%

- **Revenue-driven costs increased mainly due to acquisitions**
- **Employee costs have increased due to acquisitions, however they have remained constant at approximately 70%, despite the Group's headcount more than doubling over the past two years**
- **Like for like growth in adjusted operating costs of 27%**

CASH FLOW

- **Playtech continues to be highly cash generative**
- **Cash balance as of 30 June 2012 of €139.3m**

€ in millions	H1/12	H1/11
Cash from operating activities including WHO dividend	80.4	45.0
Cash conversion rate (from Adj. EBITDA)	88%	81%
Cash used in Investing activities, excluding WHO dividend	105.2	25.8
Cash used in financing activities	0.7	23.5

Cash used in investing activities

- **Payments during H1/12 due to acquisitions of: PTTS (€76m), Geneity (€18.2m) and IGS (€1.0m)**
- **Payments during H1/11 due to acquisitions of: VF (€8.1m), GTS (€3.2m) and IGS (€2.8m)**

Cash used in financing activities

€ in millions	H1/12	H1/11
Drawdown of credit facility	75.0	-
Repayment of withdrawn credit facility	-27.5	-
Final FY dividend payment	-47.9	-23.4

PTTS

PTTS acquisition

Initial

€ in 000's	
Initial consideration	**140,000**
Paid in 2011	45,000
Net working capital adjustment	14,800
Outstanding b/s on initial consideration	**80,200**
Early payment	76,000
Discount on early payment	4,200

Additional

€ in 000's	
Additional consideration	**140,000**
Paid in July	42,000
To be paid in January 2013	35,000
To be paid in July 2013	35,000
To be paid in January 2014	28,000

- **Acquired in July 2011 for an initial consideration of €140m and an earn-out based on 7*2014 Adj. EBITDA capped at an additional €140m**
- **PTTS accomplished the accelerated payment due to over €20m of Adj. EBITDA in H1/12**
- **The adjustment to the net present value has given rise to a finance expense amounting to €38m**
- **<u>OUTSTANDING PERFORMANCE SINCE ACQUISITION</u>**

SOCIAL GAMING AND REAL MONEY LICENSING AGREEMENT

- **Exclusive licencing deal with Skywind Holdings**
- **Cost-effective B2B entry point into social gaming**
- **Enables entry to a wide range of both social gaming software and real money software**
- **Setting the foundations for future growth**

€6 million annual fee

Exclusive B2B on both social and real

Social Gaming

Assets include
Social gaming platform and backend capabilities
Social poker software
Social casino and casino content software
Social rummy software
Social bingo software

20% revenue share agreement

Real money gaming

Assets include
Platform software including backend capabilities
Mobile poker software (iOS,Android and HTML5)
Mobile casino software (iOS,Android and HTML5)
Rummy software
Poker software

BALANCE SHEET HIGHLIGHTS

Cash balance
€139.3m
(30 June 2011: €64.3m)

Short term borrowings
€38.1m
(30 June 2011: Nil)

ST df. & cont. consideration
€76.3m
(30 June 2011: €20.0m)

LT df. & cont. consideration
€71.6m
(30 June 2011: €0.7m)

LT borrowings
€37.5m
(30 June 2011: Nil)

Total assets
€769.1m
(30 June 2011: €386.8m)

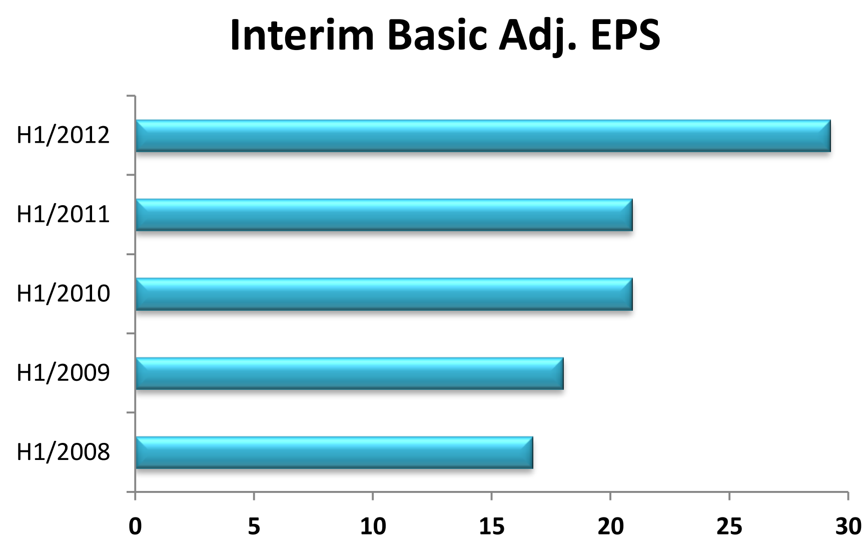
EPS AND DPS

EPS

- As presented to the right, adjusted net profit increased by 67% and Adj. EPS by 40% to 29.2 € cents per share on the increased share capital following the placing in December 2011

DPS

- Pay-out of 40% in two tranches according to dividend policy
- Interim dividend set as 1/3 from the annualised H1 adjusted net profit X 40%
- Interim dividend declared of 7.8 € cents per share (approx. €22.5m)



SUMMARY OF KEY MESSAGES

- **Outstanding reported results**

GROSS INCOME	REVENUE	ADJ. EBITDA	ADJ. NET PROFIT
↑ 86%	↑ 101%	↑ 64%	↑ 67%

- **Impressive organic growth**

GROSS INCOME	REVENUE	ADJ. EBITDA	ADJ. NET PROFIT
↑ 22%	↑ 23%	↑ 20%	↑ 22%

- **Outstanding performance of acquired businesses**

- **Strong cash flow and balance sheet**

CASH CONVERSION	TOTAL ASSETS
88%	€769.1m

- **Positioned well for future growth**

- **Listed on the main market, now more attractive to investors**

REVIEW & STRATEGIC OUTLOOK

OPERATIONAL HIGHLIGHTS

- **IMS becomes the infrastructure of gaming activity across all products including sports**
- **Portal - bespoke offering giving licensees control of their player interface**
- **Continuous expansion of branded games:**
  - **Britain's Got Talent**
  - **X Factor**
  - **Life of Brian**
  - **The Holy Grail**
  - **John Wayne**
  - **The Love Boat**

OPERATIONAL HIGHLIGHTS

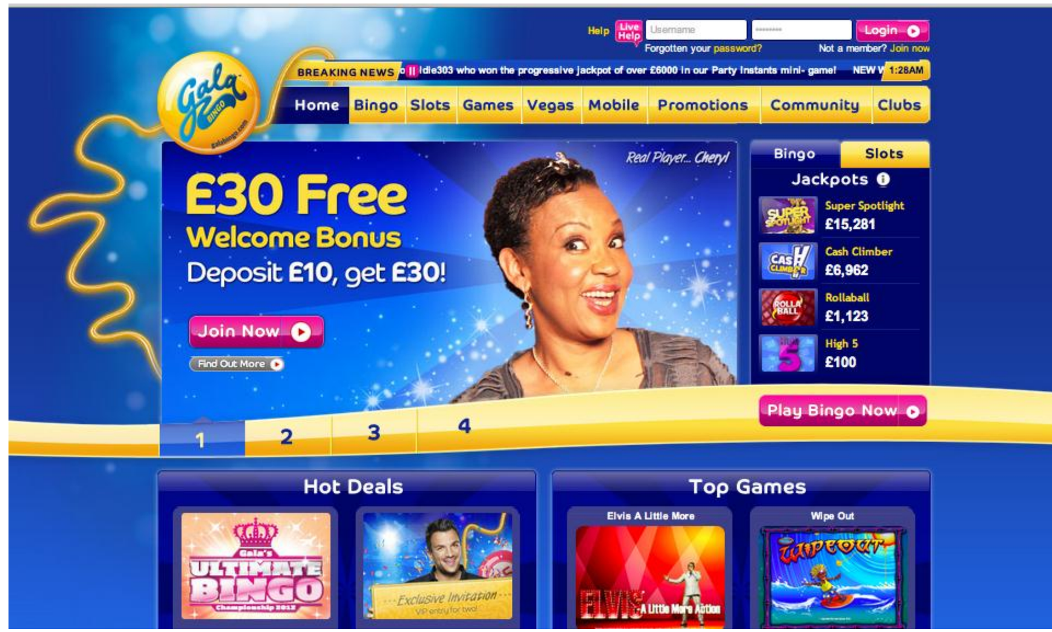
- **Poker – introduction of speed poker appealing to existing and new players, introduction of a new policy**
- **Bingo – start of mobile rollout**
- **Sports – first Playtech licensee soft launched and will be fully launched in near future**
- **Videobet – international deployment underway**

MOBILE

- From silos of products to a complete cross-product offering
- Cross-platform capability – uses the same account for mobile and PC allowing effortless switchover between the two
- Instant or download games - constant flow of entertainment focused, mobile adjusted games, including progressive slots, arcade and table and card games
- Available on a vast range of handsets including iPhone and Android
- Expansion of product offering (bingo launched)
- Mobile marketing tools such as conversion and targeted promotion

GALA CORAL AS THE CASE STUDY

- One of the UK's largest retails and online operators
- Playtech's IMS gaming management platform including portal is being utilised across all products available to Gala players
- Full player management, player retention and back-office
- Full set of products are now supported including casino, poker, bingo and live gaming across all channels – retail, web, mobile and live
- Performance of Gala Casino and Gala Bingo exceeds management's expectations



INDUSTRY LEADER

- Hat-trick of prizes won at the EGR awards
- Playtech's prizes include
  - Bingo network award
  - Slot provider award
  - Poker network award
  - Mobenga awarded mobile supplier of the year
- Playtech outperformed a number of established and rising suppliers, four of whom won two trophies

- Leader of regulated markets
- Entry into the Spanish market
- Entry into the Danish market
- Entry into LATAM through Caliente and other local operators
- Playtech mobilise:
  - Paddy Power
  - SISAL
  - Betboo
  - Many more to come …

LICENSEES

- More licensees launched in the first half, including Boyles Casino, Gala Casino and Gala Bingo, 188Bet (Mobenga), SISAL (Mobenga), Tom Waterhouse (Mobenga)
- New licensees signed, including Caliente in Mexico as well as additional licensees that will be announced in due course
- Advanced discussions ongoing with various well established operators
- Entry into Denmark in January
- Entry into Spain in June
- Preparation for slots in Italy well under way

ACQUISITIONS AND JOINT VENTURES

Joint ventures

- Joint venture signed with Gauselmann in Jan 2012 (Germany)
- Joint venture signed with Peermont in Jan 2012 (South Africa)
- Further joint ventures in the pipeline

Acquisitions

Geneity

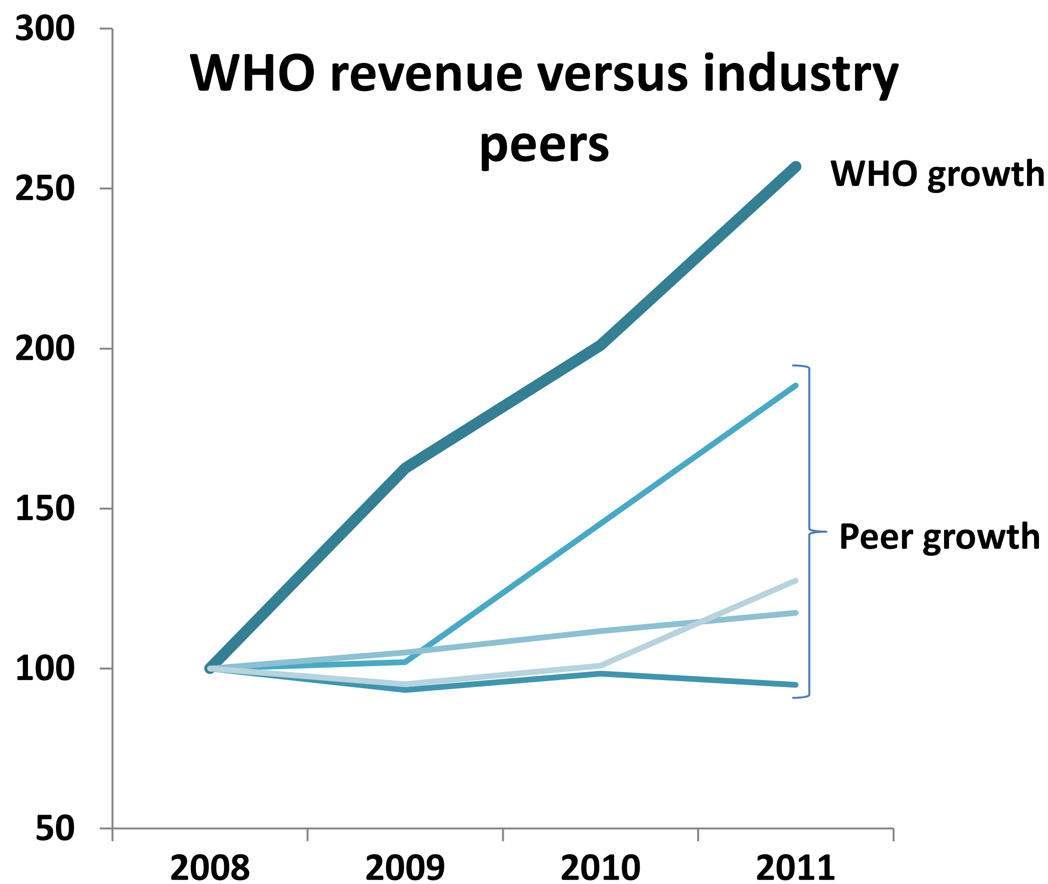
- UK based provider of e-gaming software products, focused primarily on the sportsbook and lottery sectors. Set to fully launch first Playtech licensee in the near future

Social gaming

- Software licensing agreement with Skywind Holdings for social and real money gaming software

WILLIAM HILL ONLINE PERFORMANCE

- WHO SOP of €22.7m includes exceptional items relating to Spanish backdated gaming taxes of €1.6m incurred in June 2012
- Over €110m of dividends received to date (excluding software royalties)
- Largest operator in the UK – 15.1% online market share
- Outstanding performance compared to its peer group
- Extending beyond its home market into additional regulated markets, including Italy and Spain
- Scale and breadth of operation further strengthens position and secures its market leading position
- Current discussions are still ongoing and are expected to conclude in the coming months



Peers online results obtained from publicly available financial statements

FUTURE STRATEGY

- Create a business of significant scale and a full product and service capability through organic and acquisition growth
- Take advantage of newly regulated markets by targeting existing leading local land based operators in soon to be regulated markets
- Leverage the cross sell opportunity through the IMS platform
- Continue to grow our mobile offering in line with the increasing growth of the mobile gaming market – innovation-driven approach
- Leverage the new social gaming license as social gaming and mainstream online gambling converge
- Establish further long-term JV partnerships with strategic partners
- Continue to search for strategic acquisitions which complement organic growth

MOMENTUM

mobenga

July 2011

Mobenga launches WHO product

Play for fun launched

Italian casino/ cash poker networks

Migration work

£100m equity placing

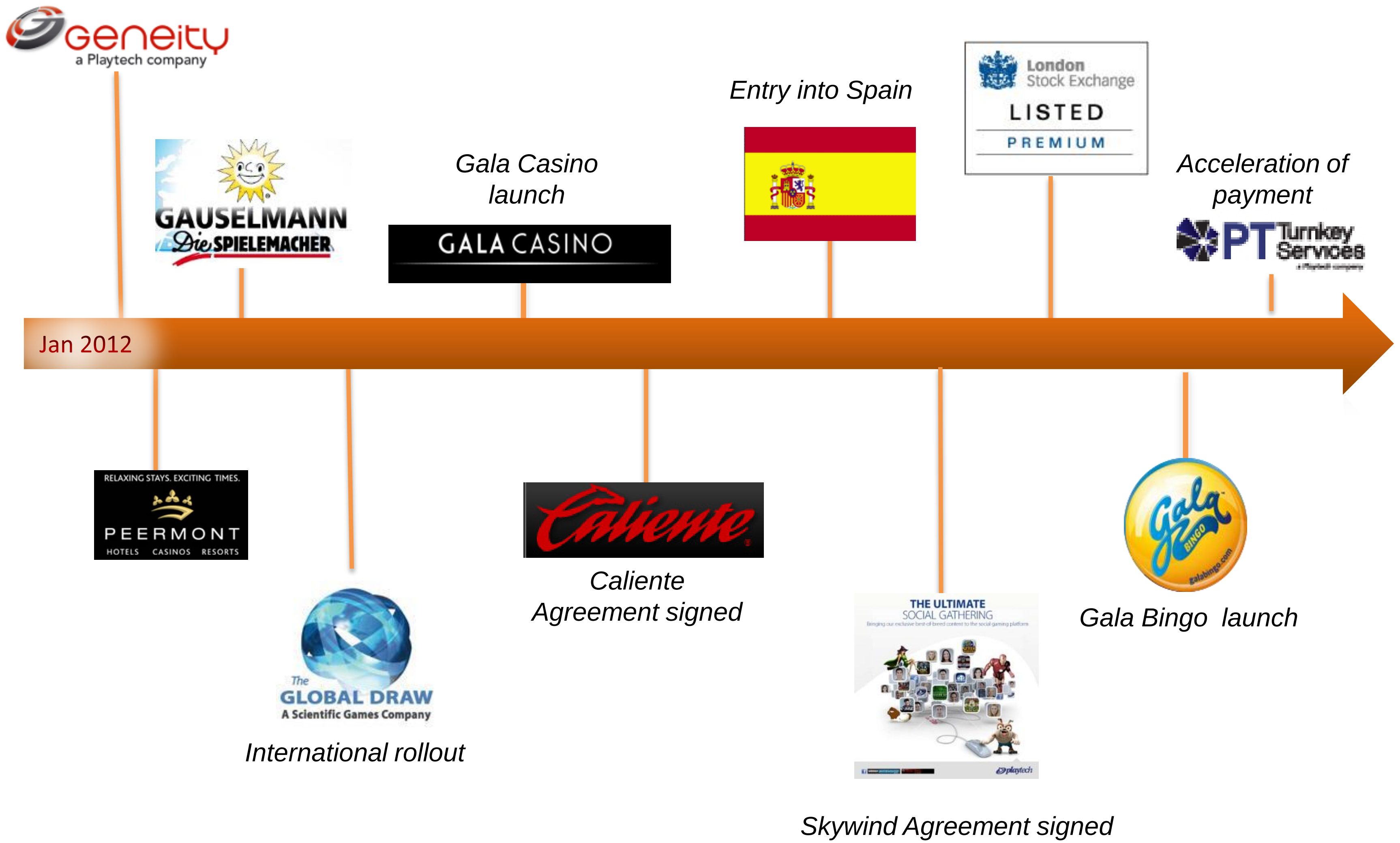
Launch in Madrid region

Mobenga launches Sky bet

Casino licence

Launch in regulated Denmark market

MOMENTUM


Geneity
a Playtech company
GAUSELMANN
Die SPIELEMACHER
Gala Casino
launch
GALA CASINO
Entry into Spain
London
Stock Exchange
LISTED
PREMIUM
Acceleration of
payment
PT Turnkey Services
Jan 2012
RELAXING STAYS. EXCITING TIMES.
PEERMONT
HOTELS CASINOS RESORTS
The
GLOBAL DRAW
A Scientific Games Company
International rollout
Caliente
Caliente
Agreement signed
THE ULTIMATE
SOCIAL GATHERING
Gala BINGO
Gala Bingo launch
Skywind Agreement signed

CURRENT TRADING

- **Strong start to the traditionally quieter third quarter**

- **Daily average revenues up over 25% versus the comparable period and up over 20% on a like-for-like basis, in line with Q2/12**

- **Management remains confident in the full year outcome whilst mindful of the impact of Spanish regulatory changes and increased costs associated with development initiatives**

IN CONCLUSION

- Outstanding reported results

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- Impressive organic growth

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ASHGAMING a Playtech company | mobenga | PT Turnkey Services a Playtech company

- Strong cash flow and balance sheet

CASH CONVERSION	TOTAL ASSETS
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- Positioned well for future growth

RELAXING STAYS. EXCITING TIMES. PEERMONT HOTELS CASINOS RESORTS | GAUSELMANN Die SPIELEMACHER

- Listed on the main market, now more attractive to investors

London Stock Exchange LISTED PREMIUM