

Interim Results 29 August 2013



A large orange arrow pointing to the right, with a white outline and a slight shadow below it. The word "INTRODUCTION" is written in white capital letters inside the arrow.

INTRODUCTION

Roger Withers, Chairman

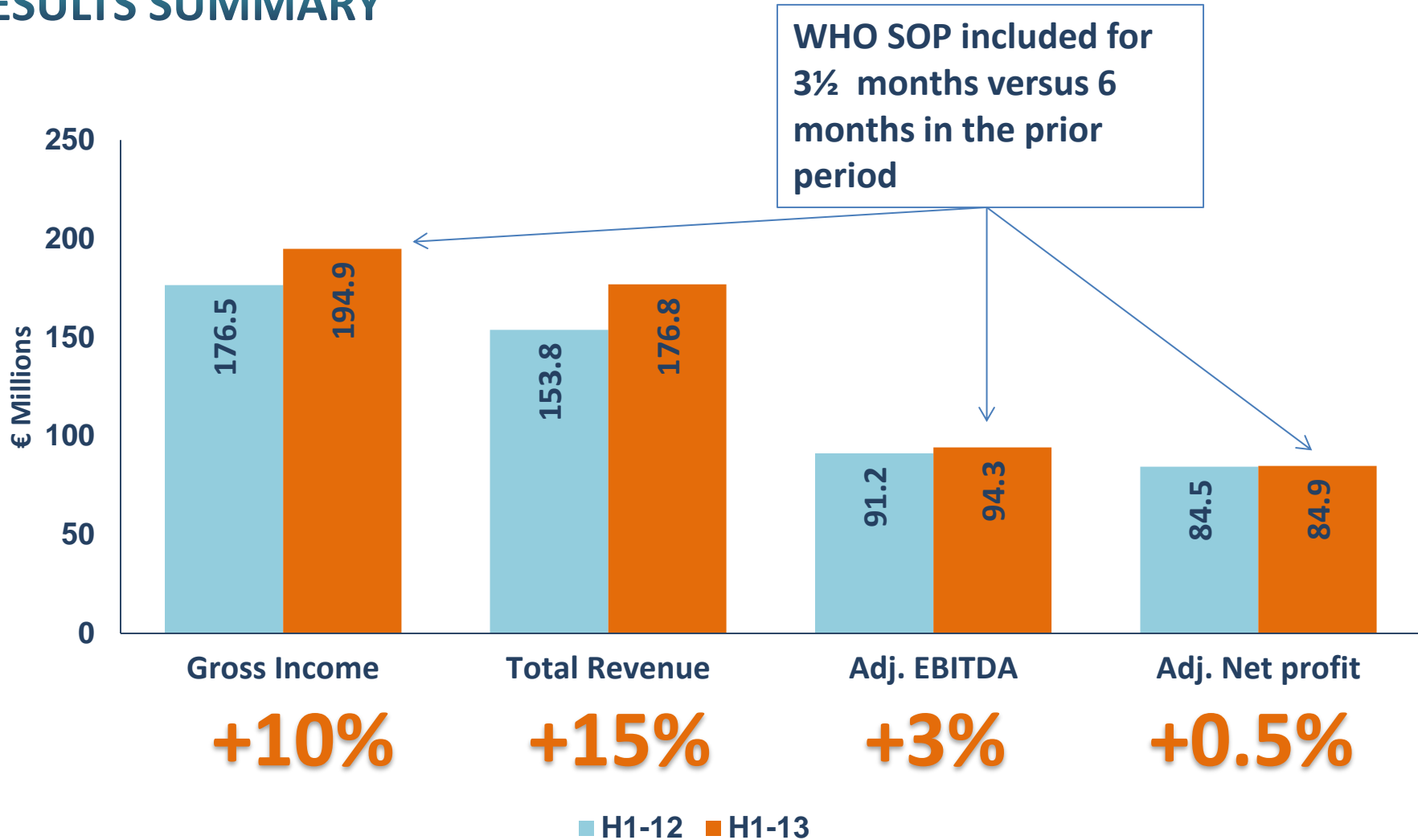
INTRODUCTION

- **Impressive H1 financial performance**
 - total revenue **+15%** (underlying total revenues **+14%**)
 - adj. EBITDA **+3%** (underlying adj. EBITDA **+13%**)
 - adj. net profit **+0.5%** (underlying adj. net profit **+11%**)
- **Sale of stake in William Hill Online for **£424m*****
- **Strong current trading, confident outlook**
- **Interim dividend of 7.8 € cents, commitment given for full year dividend**

FINANCIAL REVIEW

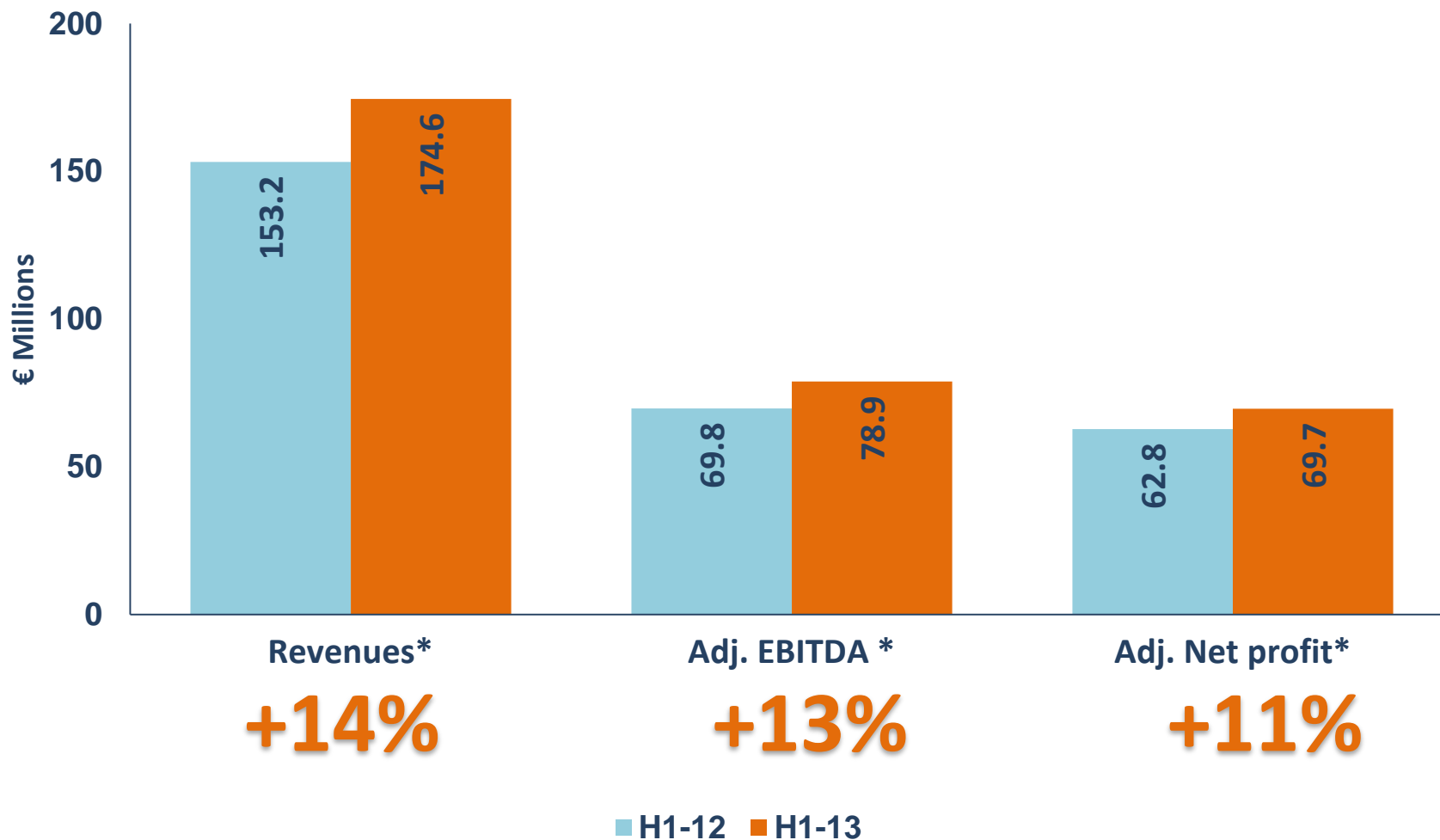
Ron Hoffman, CFO

RESULTS SUMMARY



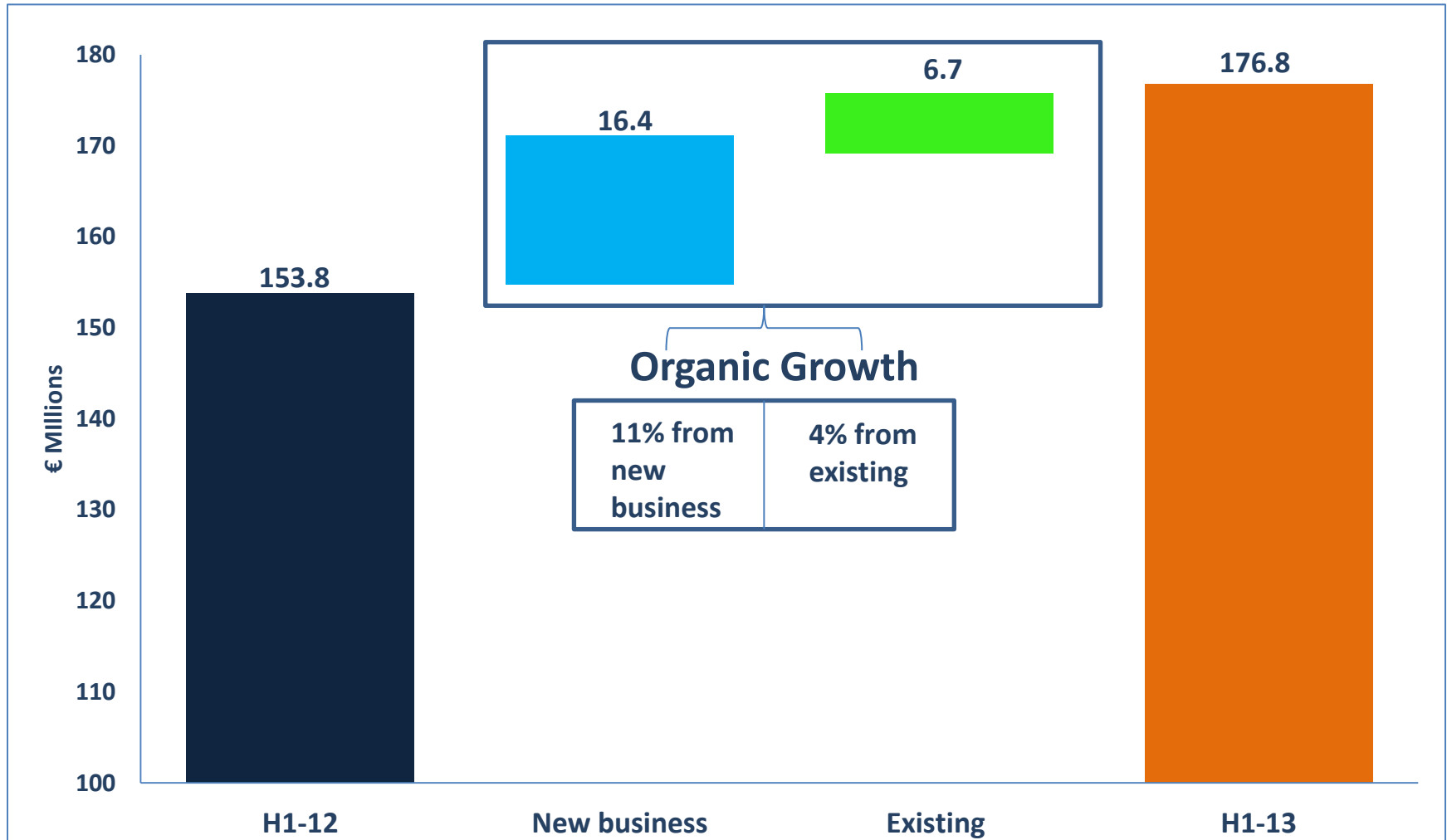
UNDERLYING RESULTS SUMMARY

(EXCL. WHO SOP, ACQUISITIONS & SKYWIND)



*Excluding William Hill SOP, acquisitions and Skywind

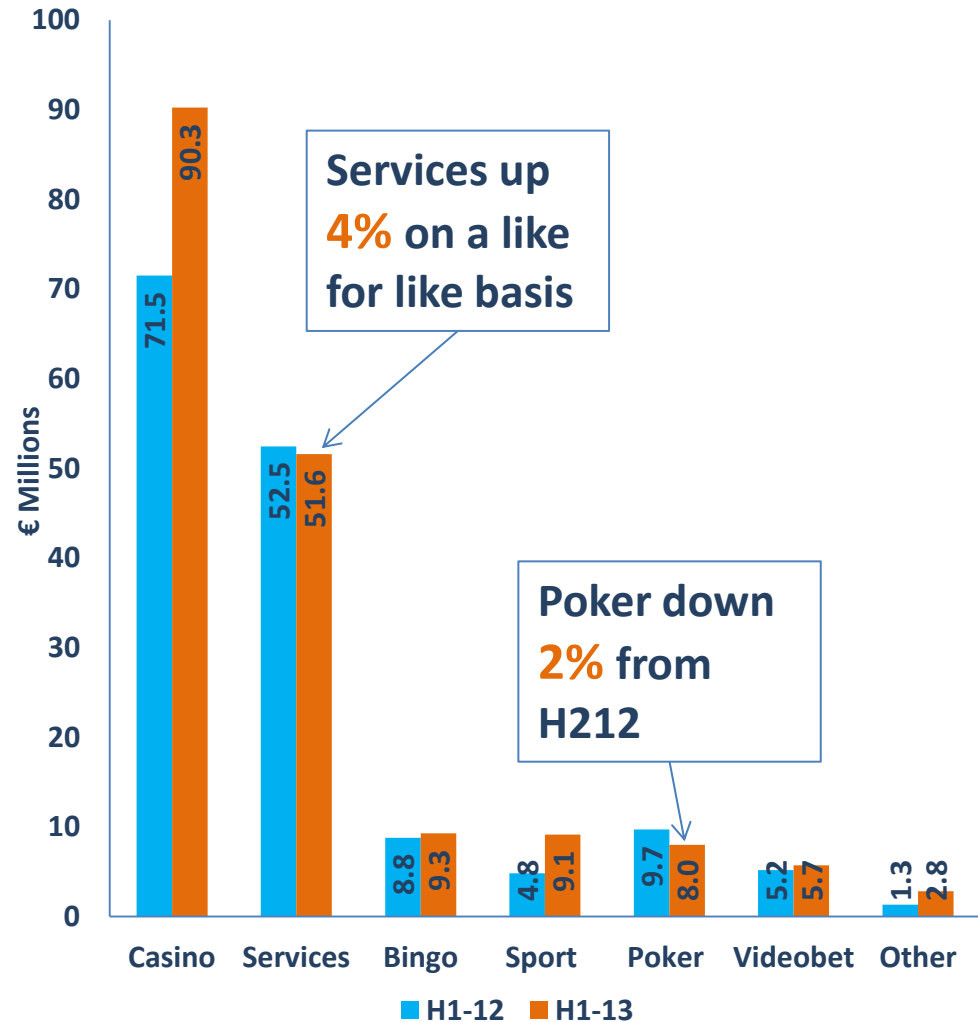
REVENUE BRIDGE



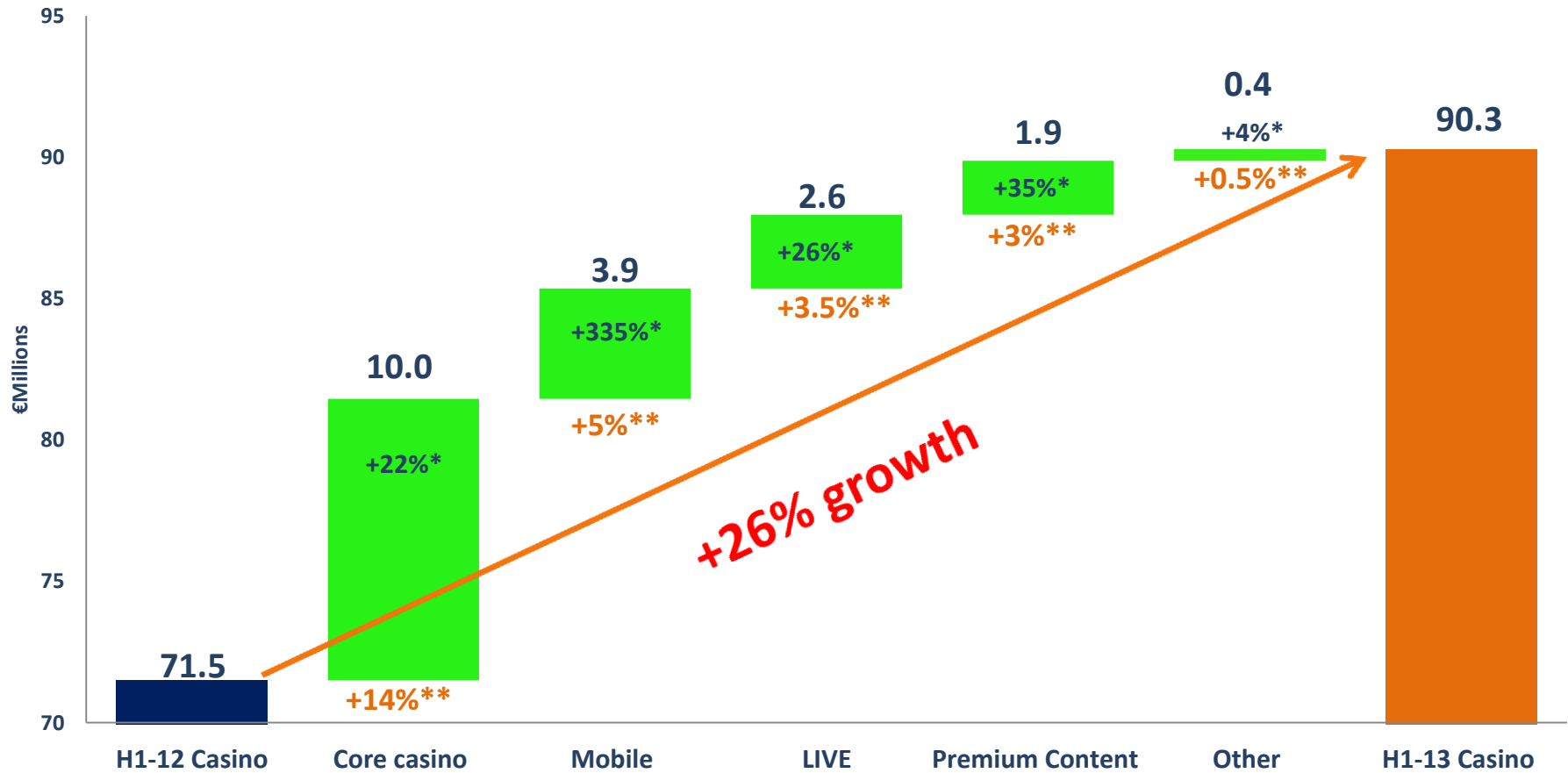
*Other New Business defined as new licensees or new products that were launched in the past 18 months

REVENUE BREAKDOWN

- Casino up **26%** mainly from mobile, premium games & LIVE
- Services up **4%** LFL (down **2%** after transfer of WHO team)
- Bingo up **6%** mainly due to Gala Bingo and mobile
- Sport up **90%** mainly due to growth of Mobenga
- Poker down **17%** in line with market trends
- VB up **10%** due to additional machines



BREAKDOWN OF CASINO GROWTH



*Nominal growth of each segment
 **Contribution to overall casino growth

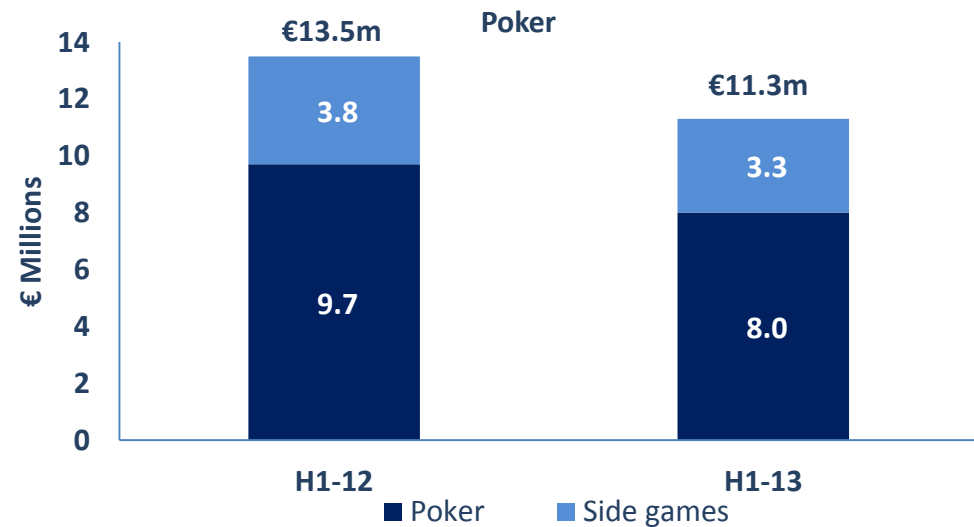
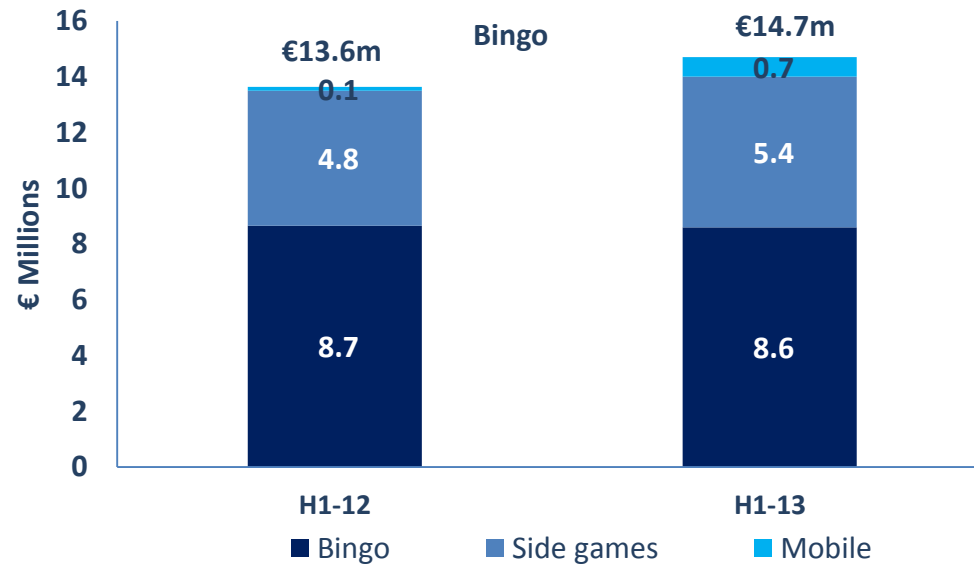
TRUE BINGO & POKER

Bingo

- Bingo €8.6m
- Side games €5.4m
- Mobile €0.7m
- True bingo €14.7m

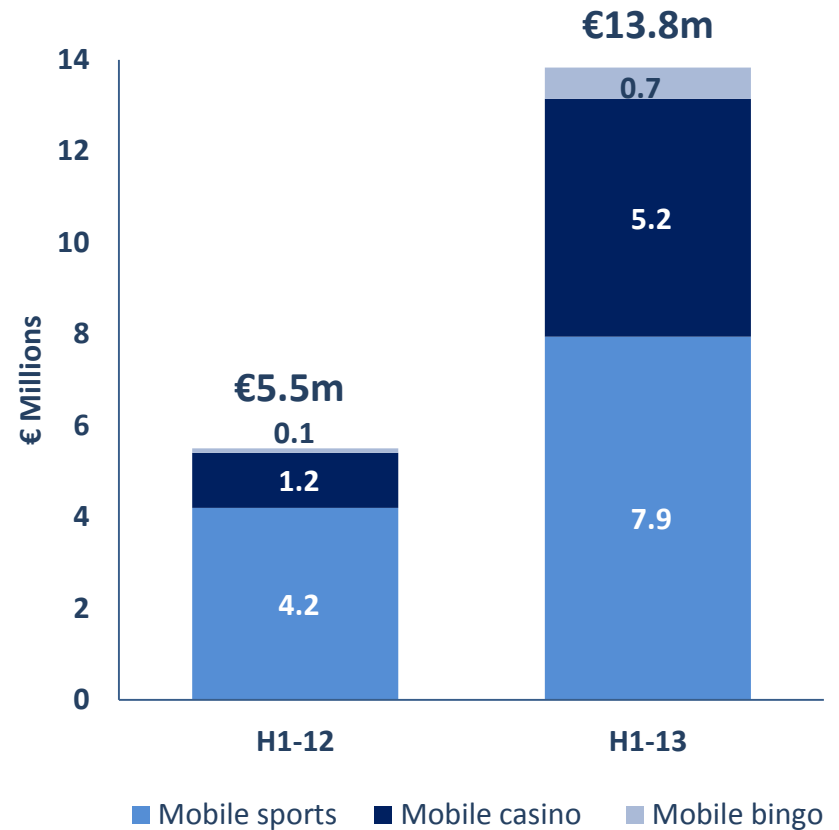
Poker

- Poker €8.0m
- Side games €3.3m
- Mobile €0.0m
- True poker €11.3m

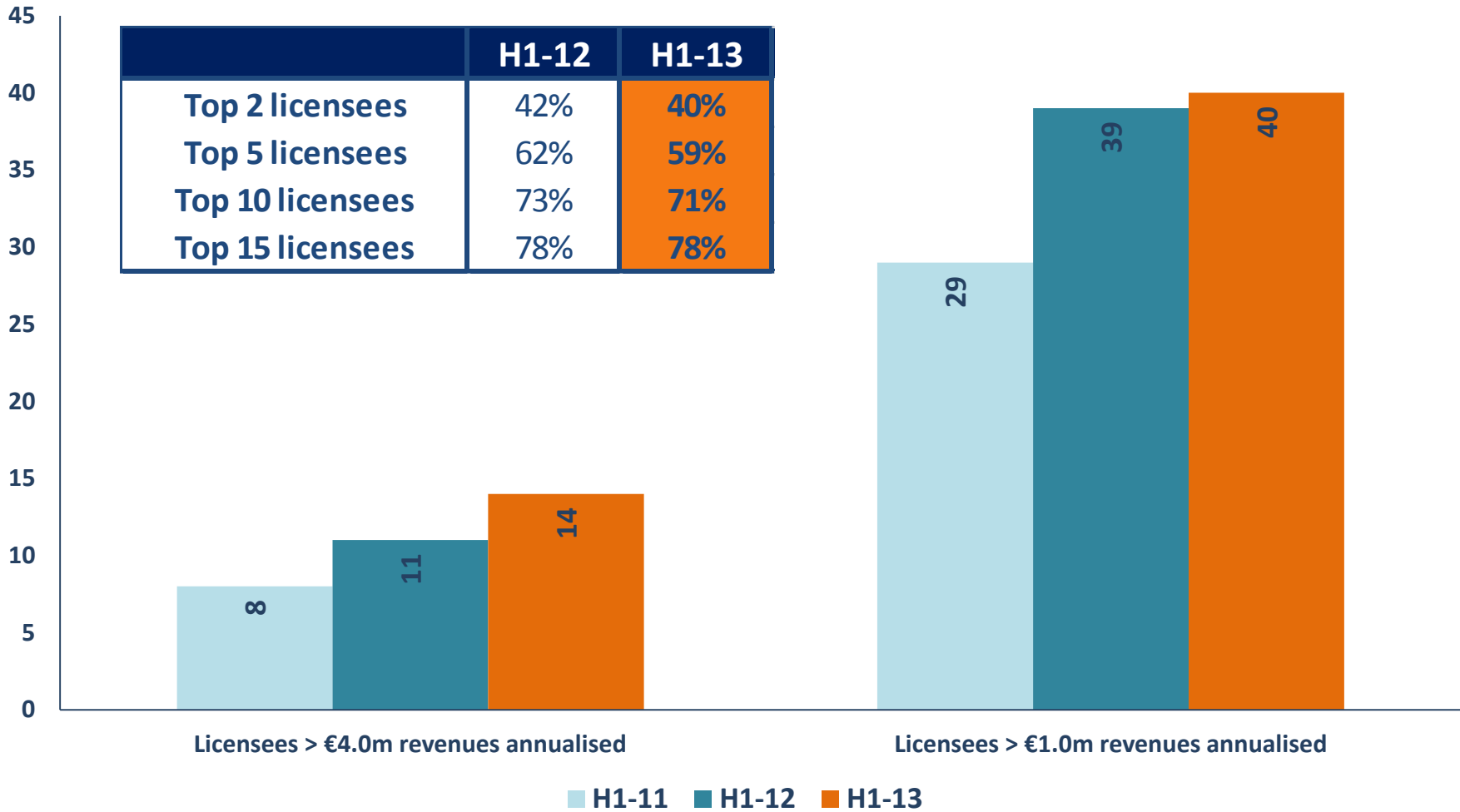


MOBILE CHANNEL

Mobile	H1-12	H1-13	H1-13 vs. H1-12
Mobile sports	4.2	7.9	92%
Mobile casino	1.2	5.2	339%
Mobile bingo	0.1	0.7	412%
Mobile poker	-	-	-
Total mobile	5.5	13.8	151%

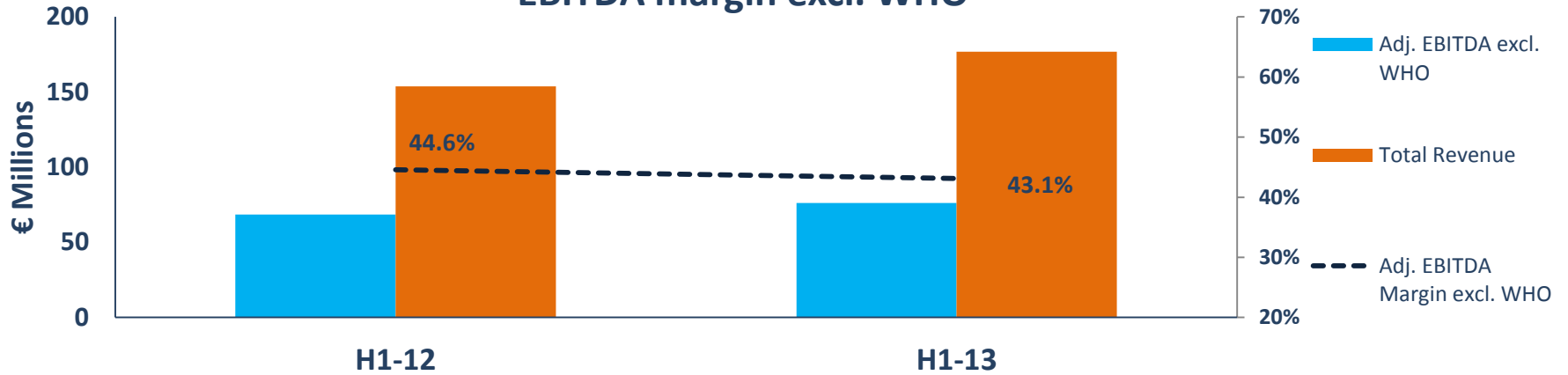


CUSTOMER CONCENTRATION

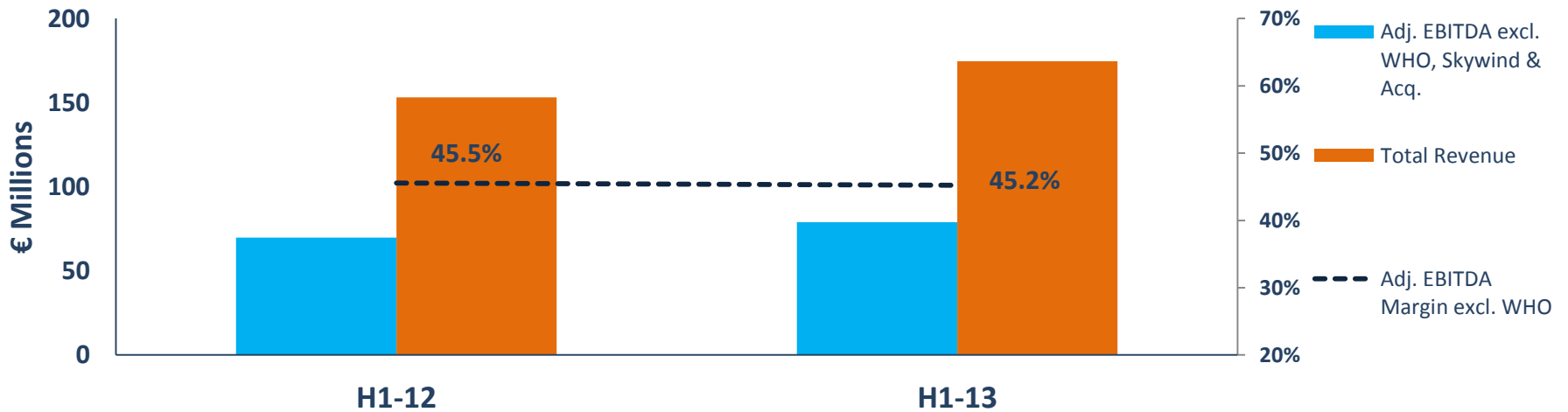


ADJUSTED EBITDA MARGIN

EBITDA margin excl. WHO



EBITDA margin excl. WHO, Skywind and acquisitions



ANALYSIS OF COSTS & EXPENSES

€ Millions	H1-12		H1-13	
Adj. Operational Costs	85.2		100.7	
Revenue-driven costs	17.6		19.1	
% out of revenue	11.4%		10.8%	
Adjusted operating expenses excluding revenue driven costs	67.6		81.6	
Employee related costs	47.0	69.6%	52.2	64.0%
Administration and office costs	7.1	10.5%	8.8	10.8%
Travel, exhibitions & marketing	3.5	5.3%	4.6	5.7%
Cost of services	4.8	7.0%	9.0	11.0%
Other	5.2	7.6%	6.9	8.5%

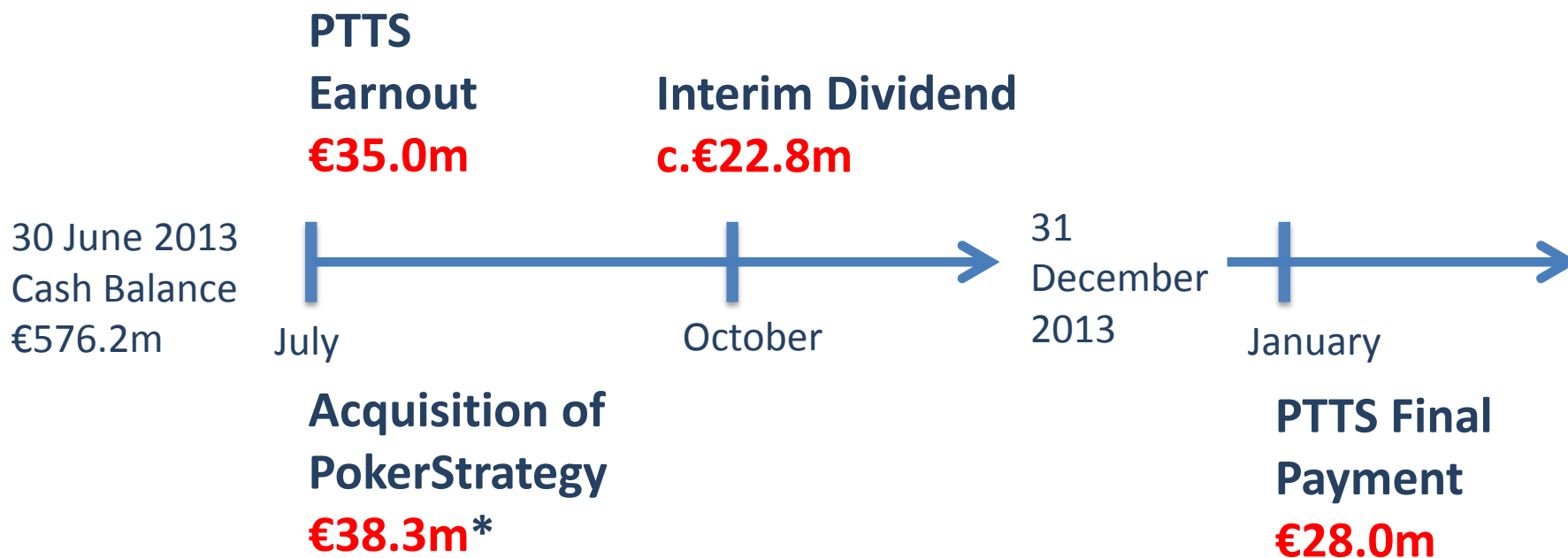
- **Growth in operations supporting increased revenue offset by further capitalisation**
- **Cost of services include Skywind cost of €3m in H1-13**

CASH FLOW

€ Millions	H1-12	H1-13
Cash from operating activities*	80.4	109.1
Cash (used in) / from investing activities	(105.2)	461.3
Net proceeds from sale of WHO stake	-	492.5
Proceeds from sale of Sportech	-	18.2
Acquisitions	(95.2)	(37.7)
Capitalised development costs	(6.9)	(8.5)
Other	(3.1)	(3.2)
Cash used in financing activities	(0.7)	(115.1)
Dividends	(47.9)	(45.0)
Proceeds from bank borrowings	75.0	-
Repayment of bank borrowings	(27.5)	(69.2)
Other	(0.3)	(0.8)

- Playtech continues to be highly cash generative
- Cash balance as at 30 June of €576.2m

COMMITTED FUTURE CASH FLOWS



* Subject to working capital adjustment.

BALANCE SHEET HIGHLIGHTS

Cash balance

€576.2m

(31 Dec 2012: €120.9m)

Total assets

€1.05bn

(31 Dec 2012: €784.5m)

Total equity

€875.5m

(31 Dec 2012: €514.2m)

S/term deferred

€76.4m

(31 Dec 2012: €69.7m)

- Debt free - bank borrowings of €69.2m repaid during H1-13
- Deferred and contingent consideration relates to PTTS (€62.2m), Mobenga (€13.6m) and IGS (€0.6m)

PokerStrategy acquisition

- **One of the world's largest poker affiliate businesses - poker school and player community**
- **Acquisition complementary to both PTTTS and Playtech poker offering**
- **Total consideration of €38.3m (subject to post-completion working capital adjustment)**
- **Annualised performance at the time of acquisition**
 - revenue run rate of €25.8m
 - approx. 50% EBITDA margin
- **On-going performance impacted by poker market trends**
- **Performance since acquisition in line with expectations**
- **Reflecting an attractive acquisition multiple of <3X at current run rate**

LADBROKES

Software

- Phased migration, Vegas tab launched July generating immediate revenue from launch
- Remaining product verticals to be rolled out

Services

- Ladbrokes restructuring operational teams
- Full marketing efforts once all product verticals rolled out
- Revenue based on adj. EBITDA uplift over base level
- Interim instalments recognised in P&L only once probable and measurable

REVIEW & STRATEGIC OUTLOOK

Mor Weizer, CEO

PRODUCTS

CASINO / CONTENT

- Superior player experience
- New licensee launches (now over **120** licensees)
- Strong organic growth driven by existing licensees, LIVE and mobile casino
- Growth of bespoke LIVE offering



PRODUCTS

CASINO / CONTENT

- 16 branded games launched in H113
 - more planned for H213
- Over 30 games on mobile and tablet
- 3rd party content on open platform



PRODUCTS

BINGO

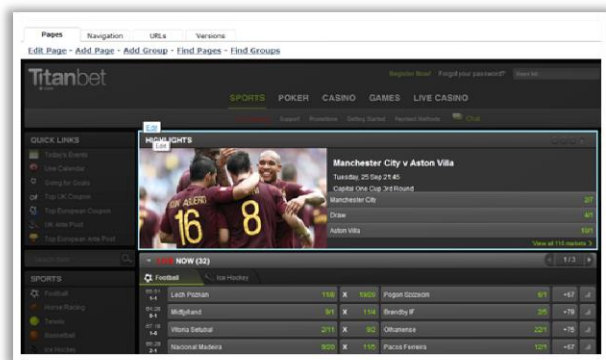
- New launches by Betfair, Premier (Spain), Euro Juego Star (Spain) and Caliente (Mexico)
- New branded mini games
- Mobile bingo improved with new mobile games, multi-stake games



PRODUCTS

MOBENGA / SPORTS

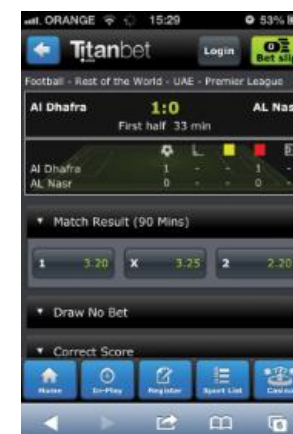
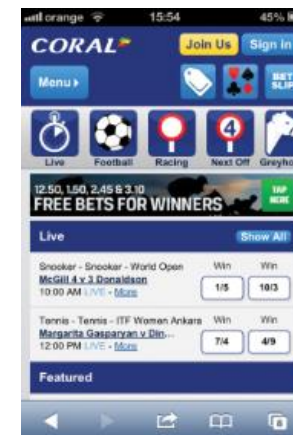
- Strong performances over major sporting events
- Mobile sports grown to significant levels for large licensees
- Geneity added 3 licensees including Sportech



PRODUCTS

MOBILE

- New and exciting offering
- Consistent triple digit growth over H1
- Only provider offering a single application combining betting and gaming products with a single account and wallet
- Enhanced cross-sell opportunities



PRODUCTS

NEXT GENERATION MOBILE

- Speeds-up time to market
- Proven base technology
- Multi-platform capability
- Game-changing development



PRODUCTS

POKER

- Launch of Betclic and Betfair on iPoker network
- Launch of iPoker on mobile using multplatform support (HTML 5, Native on iOS and Android)
- New tournament features and structures to drive traffic
- Acquisition of PokerStrategy.com



PRODUCTS

VIDEOBET

- **1,100 machines added in H113**
- **New jurisdictions – South America up to 10% of VB revenue**
- **Strong test pipeline in the UK and Finland**
- **Convergence of retail and online**



PRODUCTS

SERVICES

- Good underlying performance in H1
- Ladbrokes agreement creating leads
- Acquisition of PokerStrategy strengthens offering



FUTURE STRATEGY

- Attract new licensees
- Cross sell products and services
- Support organic growth
- Improve quality of earnings through greater regulated market penetration
- Enhance the Company's market leading position; increase product, service and distribution capability
- Acquisitions remain key



CURRENT TRADING

- **Daily average revenues up over 10% from Q3/12 and broadly in line with Q2/13**
- **Management confident regarding 2013 and beyond**
- **Full year outcome**
 - Exciting pipeline
 - Strong growth of mobile
 - Huge potential of sports, lottery and services

Q&A

