

2011 First Half Results Presentation

31 August 2011



Jim Ryan
Co-CEO

Highlights – Continuing operations (pro forma)

- Total revenue of €398.0m
- Clean EBITDA of €81.9m
- Continuing Clean EPS* of 7.5 € cents
- Net cash# at 30 June 2011 of €183.0m
- Strong current trading
- Synergies on track – at least €40m in 2012, €65m in 2013
- Half year dividend of €15m
- Up to €75m share buy-back to commence
- Confident about full year and outlook

**Excluding amortisation of acquired intangible assets*

#Cash and cash equivalents including short term investments minus bank debt, including cash due from payment processors but excluding client liabilities

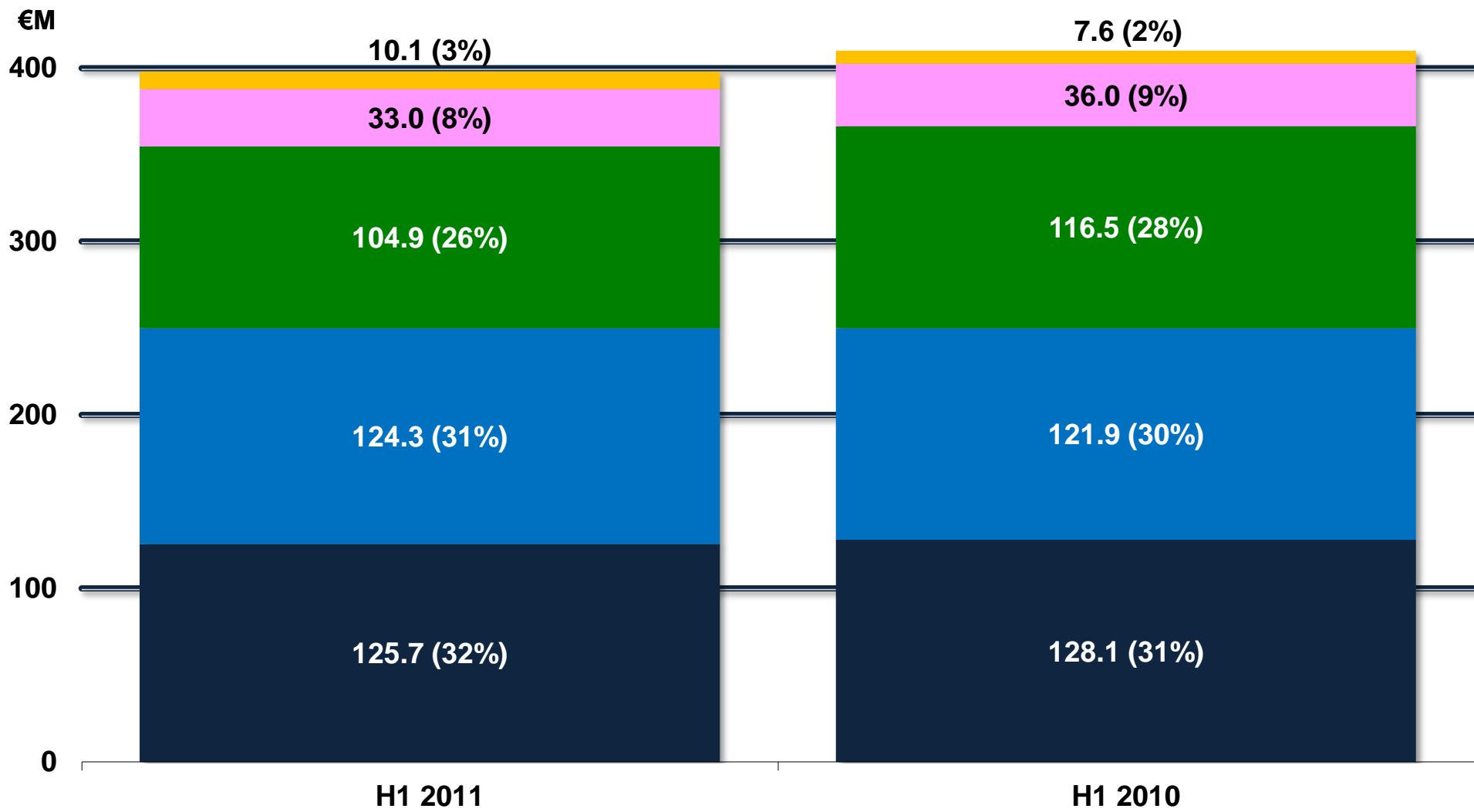
Martin Weigold
Chief Financial Officer

Summary - Continuing operations (pro forma)

Six months to 30 June (€m)	2011	2010	Change
Total Revenue	398.0	410.1	(3%)
Clean EBITDA*	81.9	104.1	(21%)
Exchange differences	(2.1)	1.1	n/a
Depreciation	(7.2)	(7.3)	1%
Amortisation	(61.5)	(31.1)	(98%)
Impairment losses	(15.3)	-	n/a
Share-based payments	(7.5)	(6.3)	(19%)
Acquisition expenses	(16.9)	(1.2)	(1,308%)
Reorganisation expenses	(2.2)	-	n/a
(Loss) profit from operating activities	(30.8)	59.3	n/a

**EBITDA before provision for costs associated with the Group's Non-Prosecution Agreement, reorganisation costs, merger and acquisition costs, exchange differences and before non-cash charges relating to share-based payments*

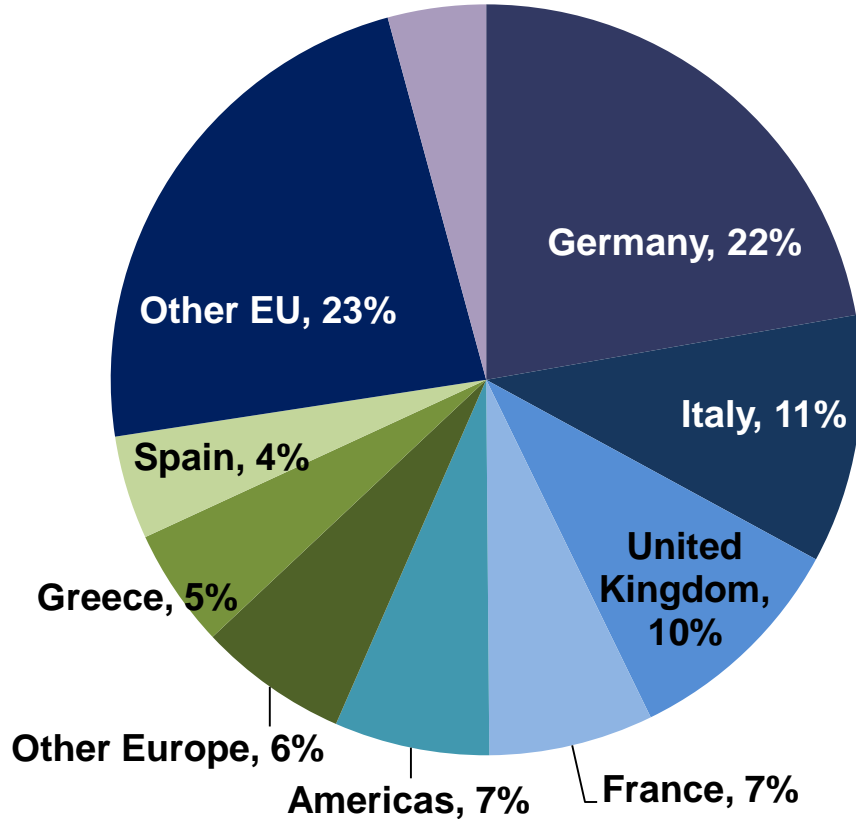
Pro forma revenue mix by product (€m)



Pro forma net gaming revenue mix by country

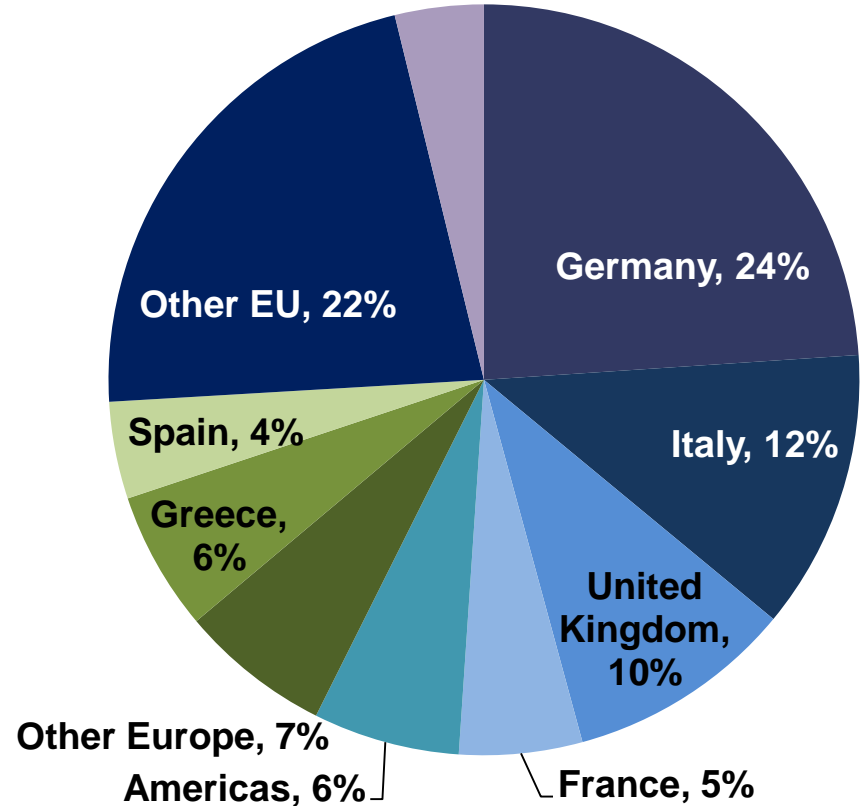
H1 2011

Rest of World, 4%



H1 2010

Rest of World, 4%



Sports betting – pro forma financials

Six months to 30 June (€m)	2011	2010	Change
Total stakes	1,879.8	1,947.5	(3%)
Gross win	141.1	145.2	(3%)
<i>Gross win margin</i>	7.5%	7.5%	
Bonuses and fair value adjustments	(15.4)	(17.1)	10%
Net revenue	125.7	128.1	(2%)
Other revenue	0.4	0.1	300%
Total revenue	126.1	128.2	(2%)
Clean EBITDA*	27.4	32.6	(16%)
<i>Bonus as a % amount wagered</i>	0.8%	0.9%	
<i>Clean EBITDA margin*</i>	21.7%	25.4%	

**EBITDA before provision for costs associated with the Group's Non-Prosecution Agreement, reorganisation costs, merger and acquisition costs, exchange differences and before non-cash charges relating to share-based payments*

Casino – pro forma financials

Six months to 30 June (€m)	2011	2010	Change
Total stakes	3,772.8	4,355.5	(13%)
<i>Hold percentage</i>	3.9%	3.5%	
Gross revenue	147.8	154.6	(4%)
Bonuses and fair value adjustments	(23.5)	(32.7)	28%
Net revenue	124.3	121.9	2%
Other revenue	0.3	0.3	0%
Total revenue	124.6	122.2	2%
Clean EBITDA*	37.7	35.1	7%
<i>Bonus as % of gross revenue</i>	15.9%	21.2%	n/a
<i>Clean EBITDA margin*</i>	30.3%	28.7%	

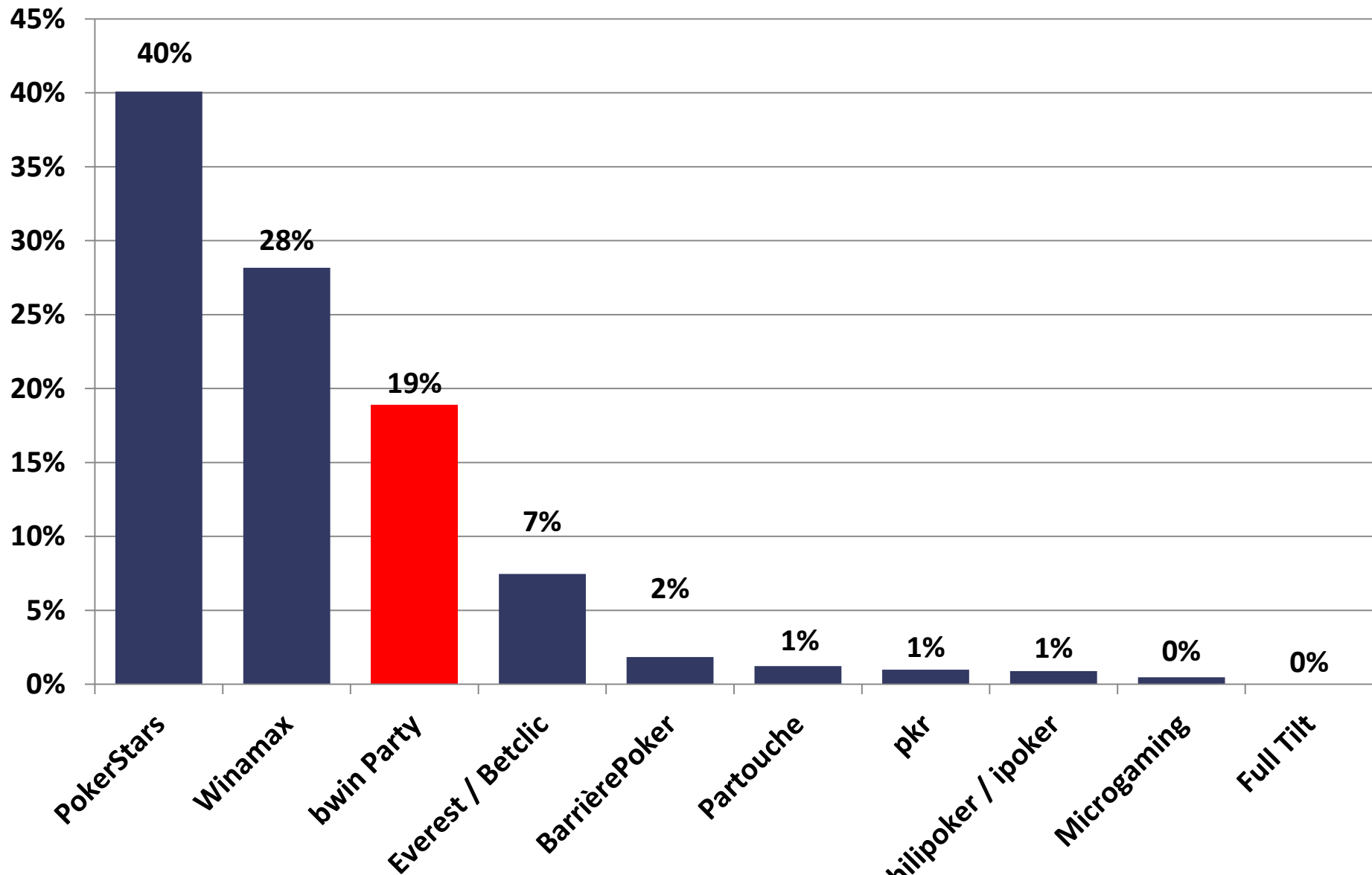
**EBITDA before provision for costs associated with the Group's Non-Prosecution Agreement, reorganisation costs, merger and acquisition costs, exchange differences and before non-cash charges relating to share-based payments*

Poker – pro forma financials

Six months to 30 June (€m)	2011	2010	Change
Gross revenue	132.3	150.9	(12%)
Bonuses and fair value adjustments	(27.4)	(34.4)	20%
Net revenue	104.9	116.5	(10%)
Other revenue	1.8	1.5	20%
Total revenue	106.7	118.0	(10%)
Clean EBITDA*	13.5	22.6	(40%)
<i>Bonus as % of revenue</i>	20.7%	22.8%	<i>n/a</i>
<i>Clean EBITDA margin*</i>	12.7%	19.2%	

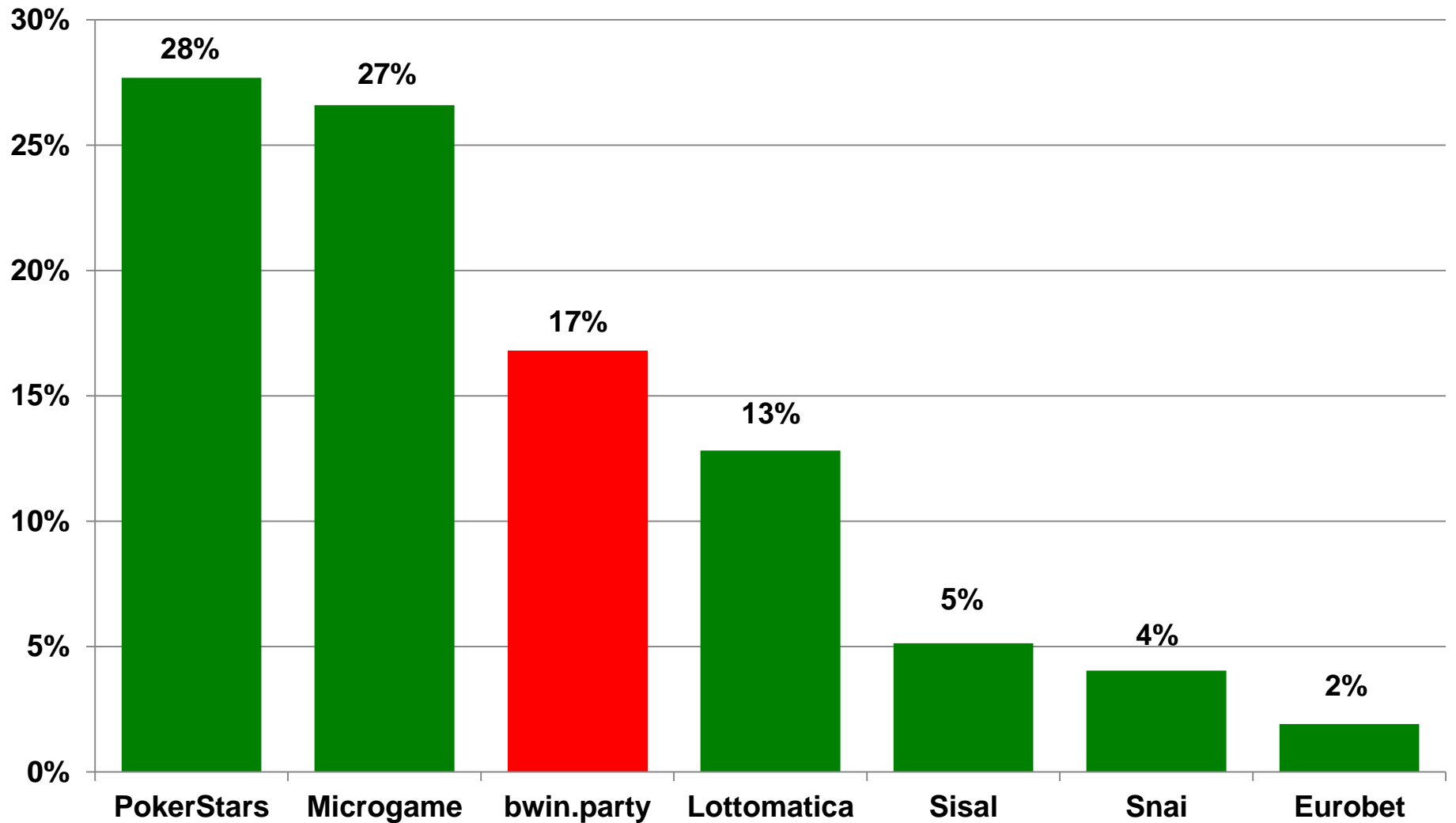
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Poker – French market share



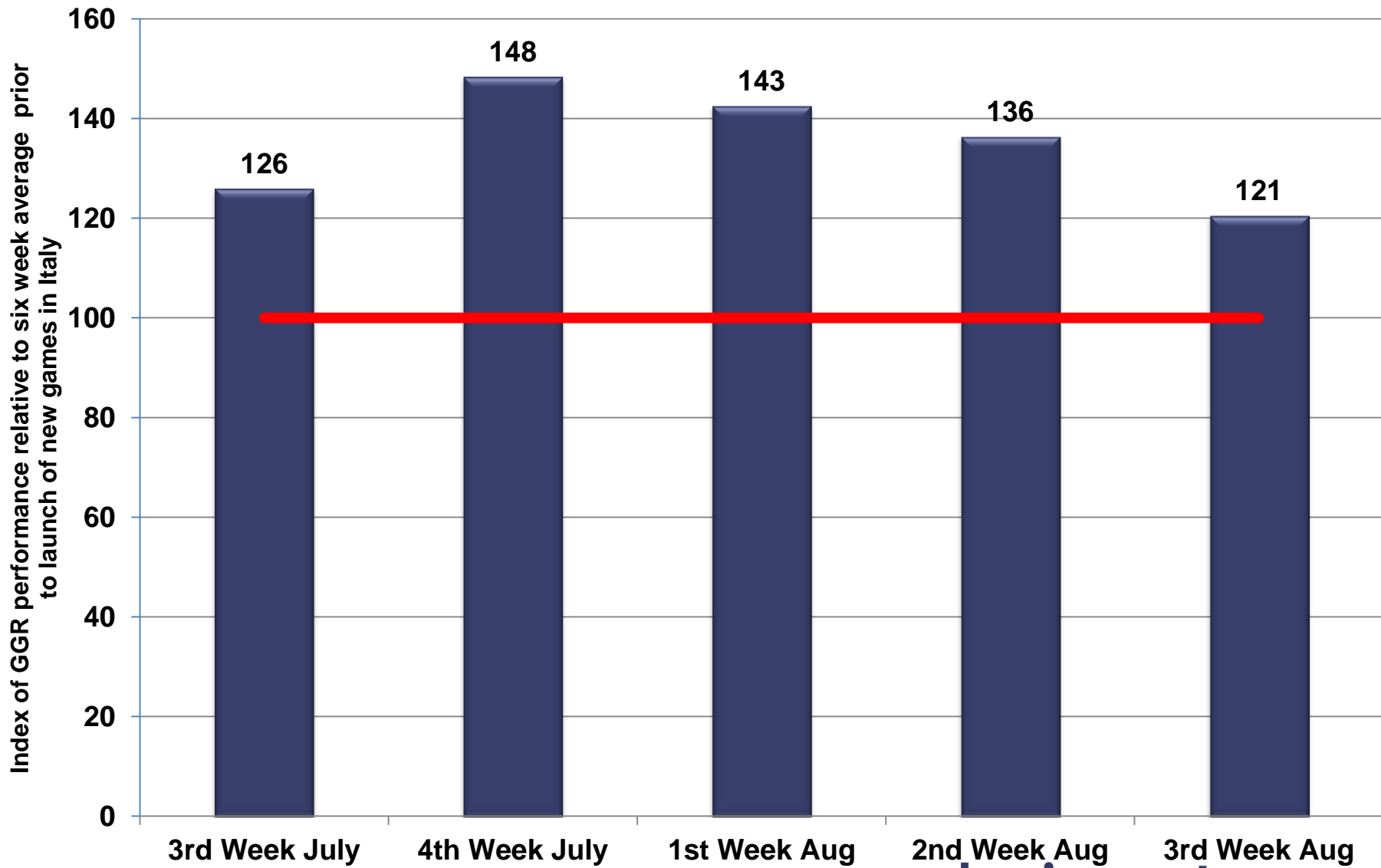
Poker – Italian market share

Poker market share - June 2011



Spotlight on Italy – average daily GGR

■ Post Launch Weekly GGR ■ Prelaunch Weekly GGR



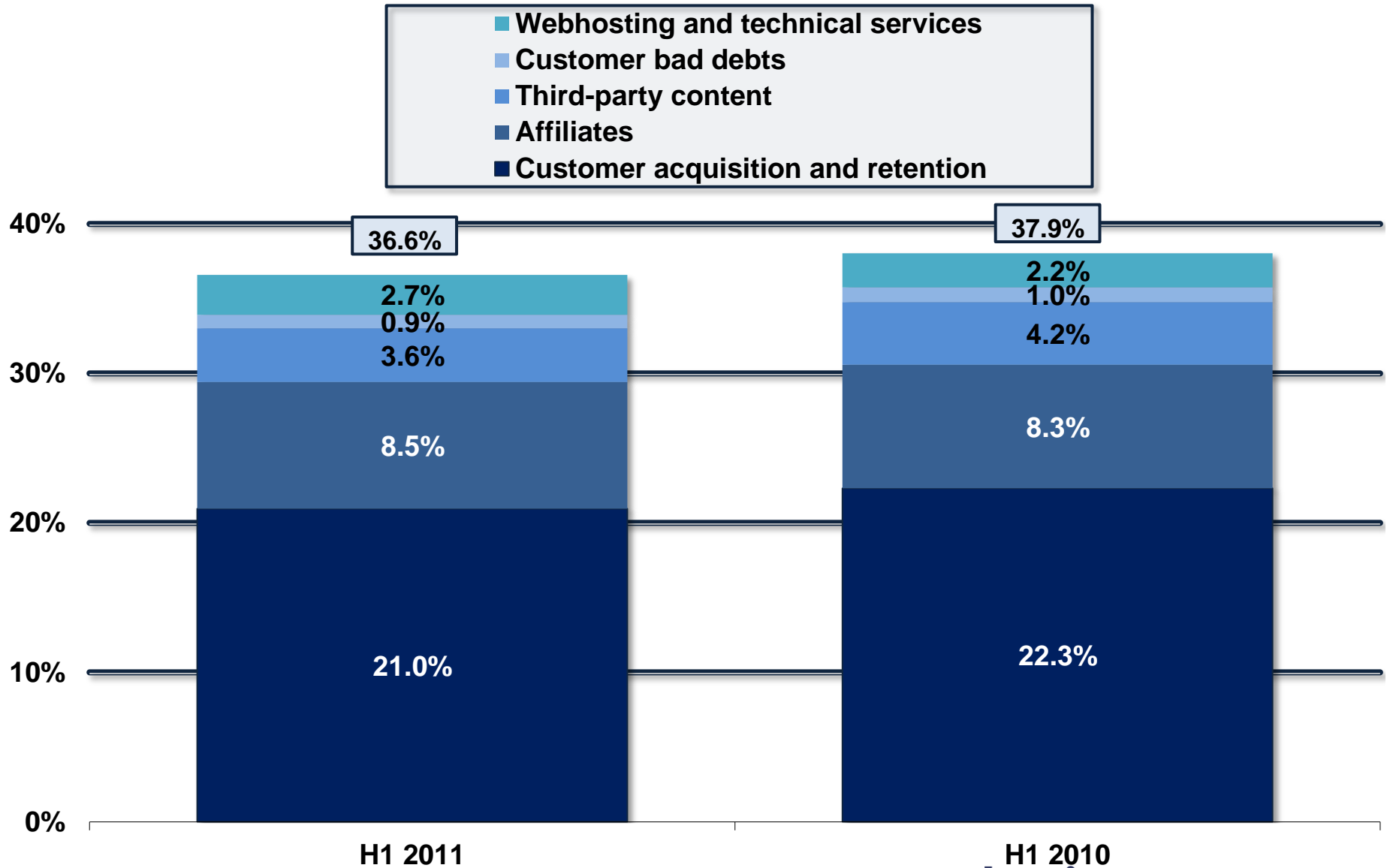
Bingo – pro forma financials

Six months to 30 June (€m)	2011	2010	Change
Gross revenue	71.3	71.2	0%
Bonuses and fair value adjustments	(38.3)	(35.2)	(9%)
Net revenue	<u>33.0</u>	<u>36.0</u>	(8%)
Other revenue	0.6	0.5	20%
Total revenue	<u>33.6</u>	<u>36.5</u>	(8%)
Clean EBITDA*	8.2	11.7	(30%)
<i>Bonus as % of gross revenue</i>	53.7%	49.4%	
<i>Clean EBITDA margin*</i>	24.4%	32.1%	

**EBITDA before provision for costs associated with the Group's Non-Prosecution Agreement, reorganisation costs, merger and acquisition costs, exchange differences and before non-cash charges relating to share-based payments*

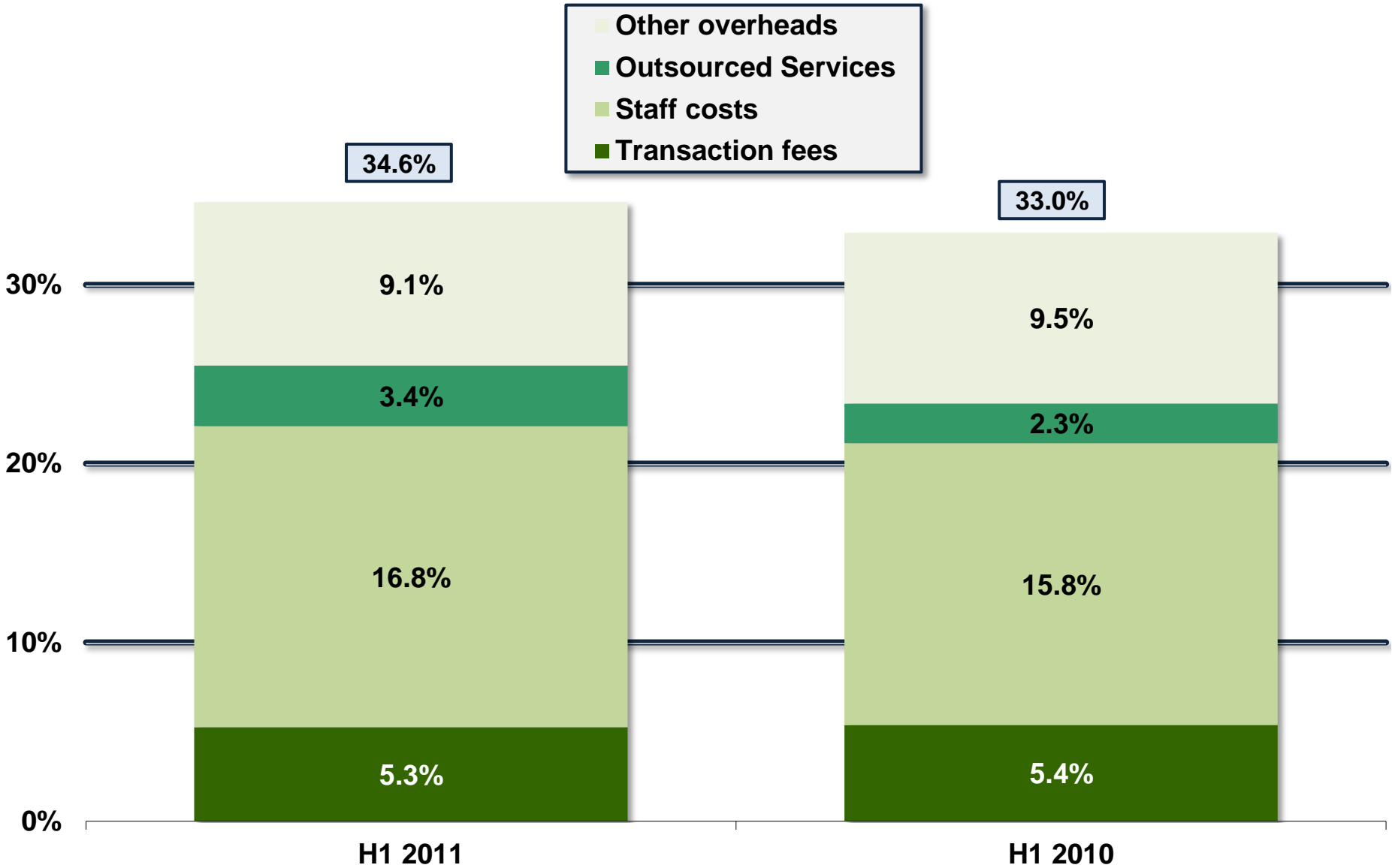
Distribution Costs

As a % of total revenue

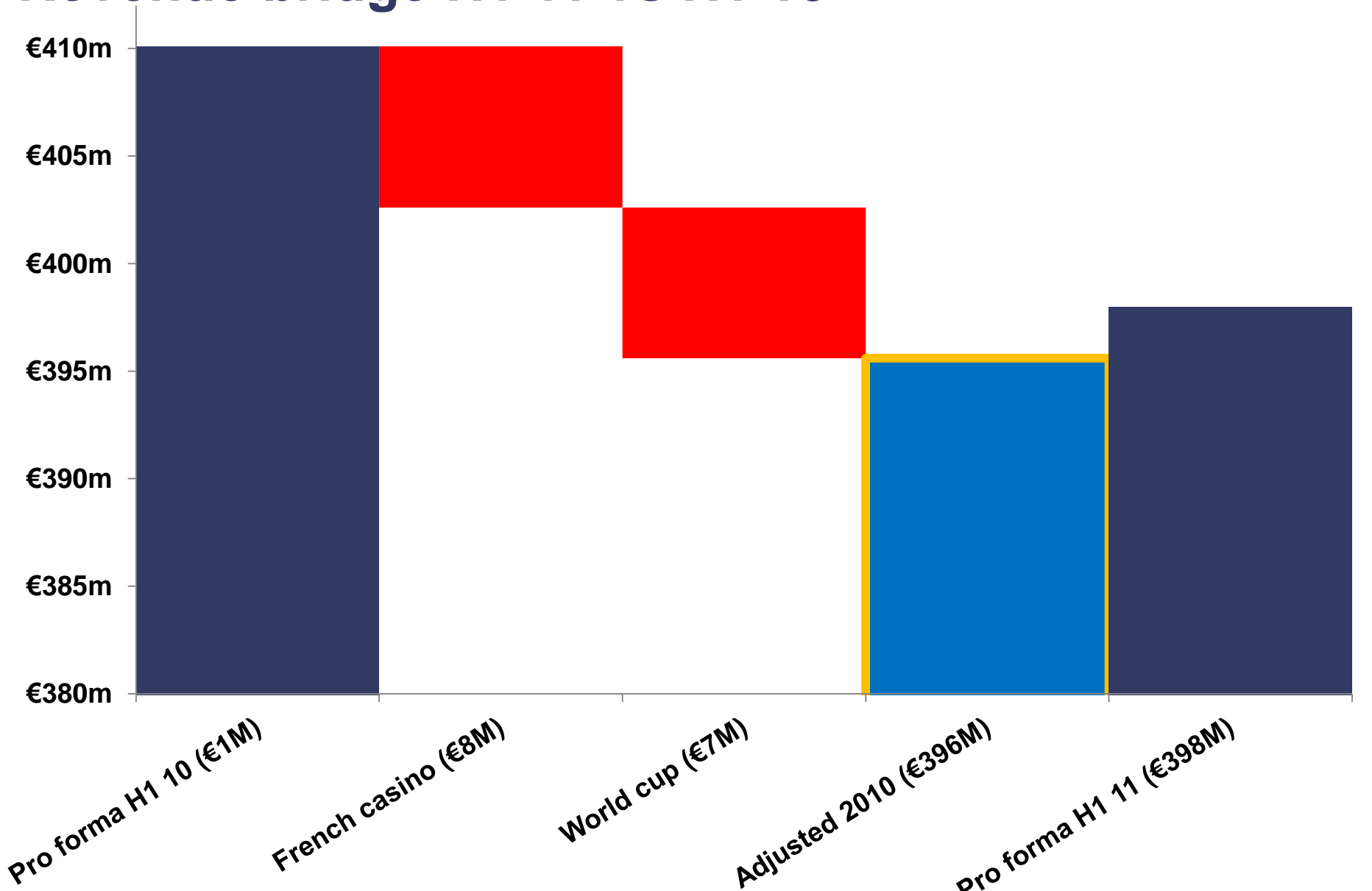


Clean EBITDA Administrative expenses

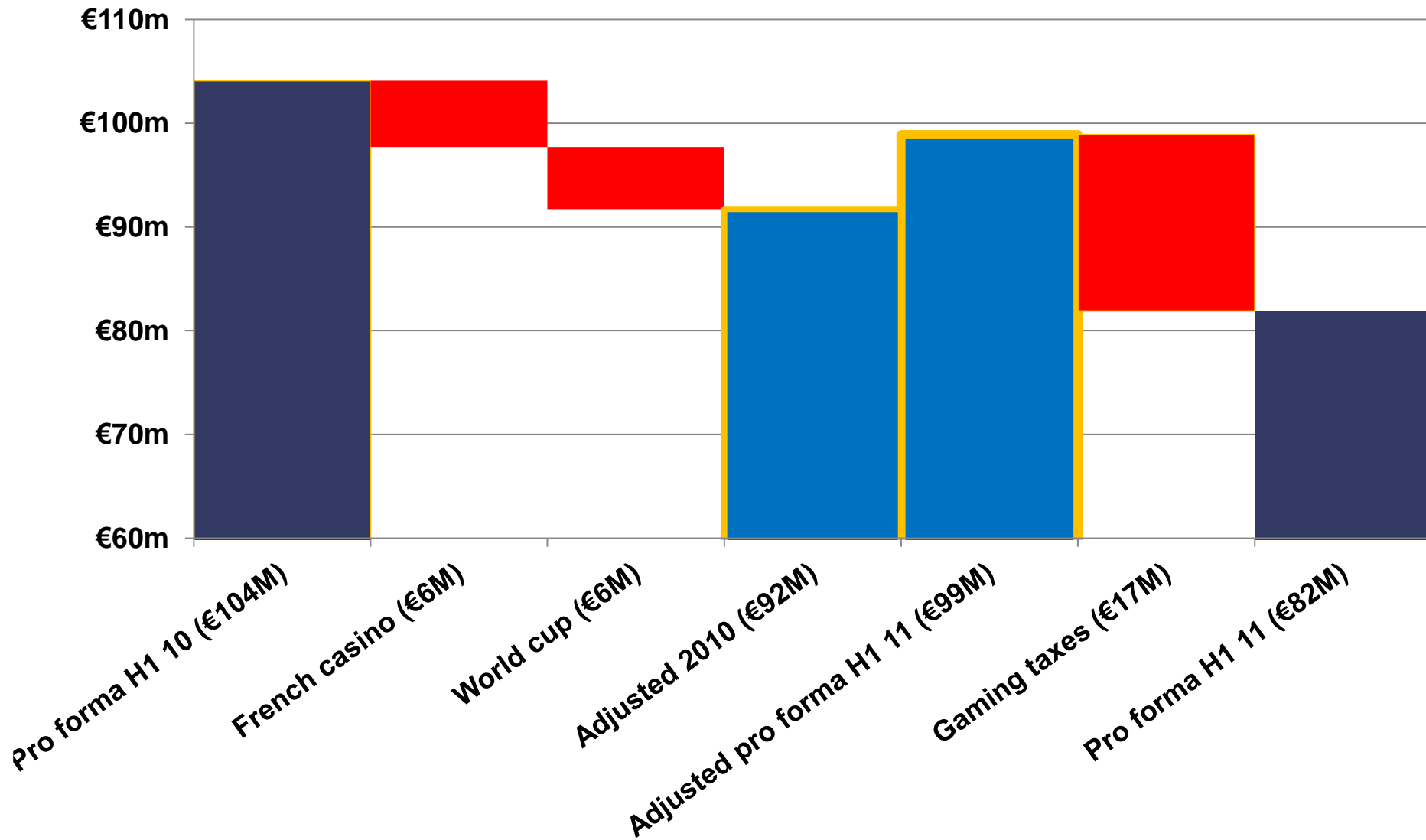
As a % of total revenue



Revenue bridge H1 11 vs H1 10



Clean EBITDA bridge H1 11 vs H1 10



Actual statement of financial position

(€m)	30 Jun '11	31 Dec'10
Non-current assets	1,233.0	223.1
Trade and other receivables	123.2	48.3
Assets held for sale	28.6	2.2
Other current assets*	32.4	3.1
Cash and cash equivalents	297.1	193.6
Trade and other payables	(127.3)	(88.6)
Client liabilities & prize pools	(155.2)	(93.1)
Loans and borrowings	(34.6)	(40.0)
Other liabilities	<u>(191.8)</u>	<u>(15.6)</u>
Net equity	<u><u>1,205.4</u></u>	<u><u>233.0</u></u>

* Short term investments and inventories

Current trading

Average gross daily revenue
Period to 25 August 2011

Same period
in 2010
vs Q210

		Vs Q211	vs Q210
		% change	% change
• Total:	€ 2,622k	+5%	(9%)
• Sports betting:	€ 717k	+6%	(6%)
• Casino:	€ 851k	+9%	(17%)
• Poker:	€ 719k	+4%	(2%)
• Bingo:	€ 336k	(7%)	(9%)

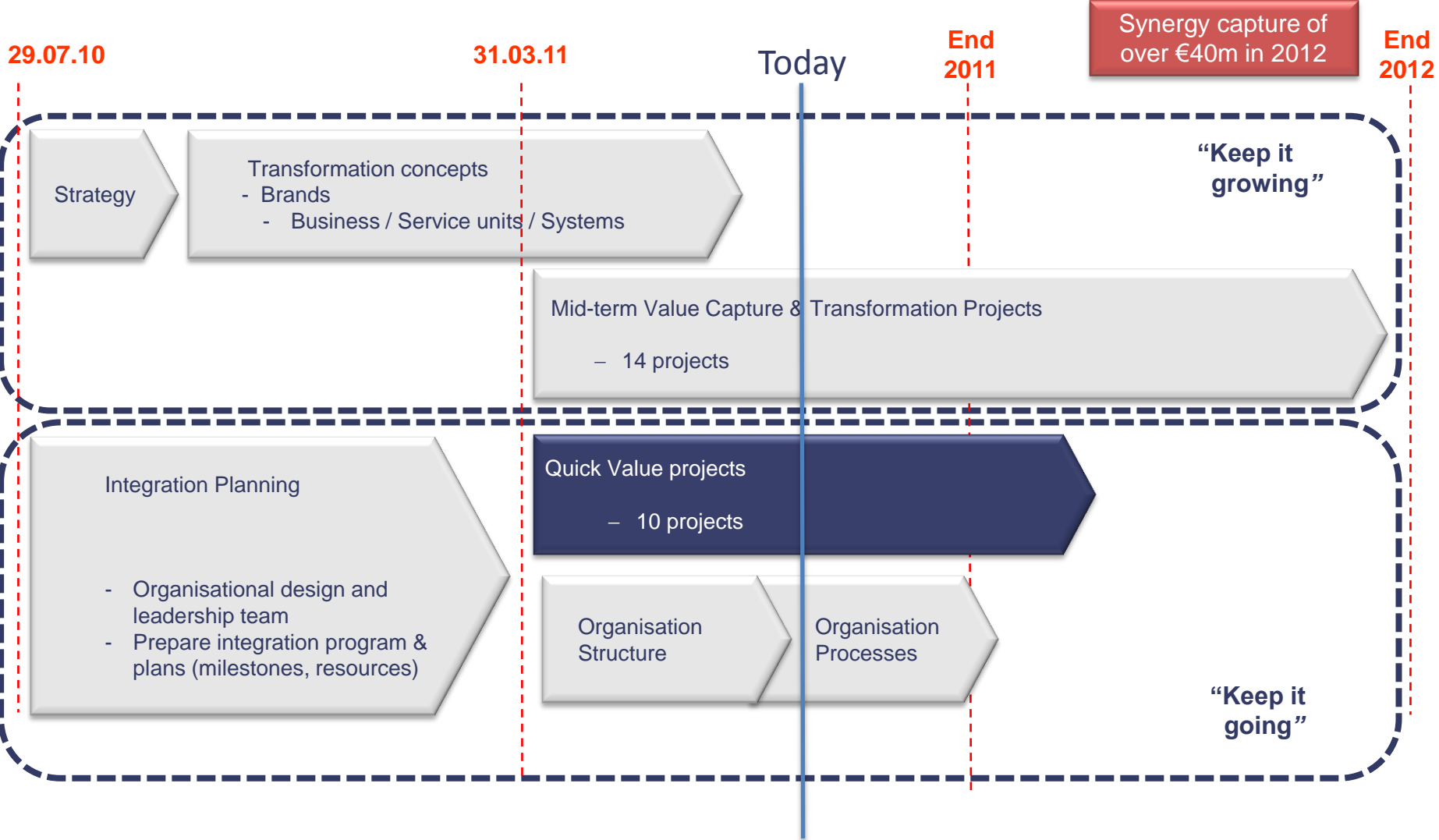
Norbert Teufelberger

Co-CEO

Priorities for 2011

- Integrate the two businesses as quickly as possible
- Deliver increased target of €65m of synergies in 2013
- Execute the stated business strategy
 - Focus on regulated and to-be regulated markets
 - Invest in technology and brands
 - Long-term strategic partnerships
 - Act responsibly

Integration planning and progress



Synergy tracking

- **2011 key deliverables**

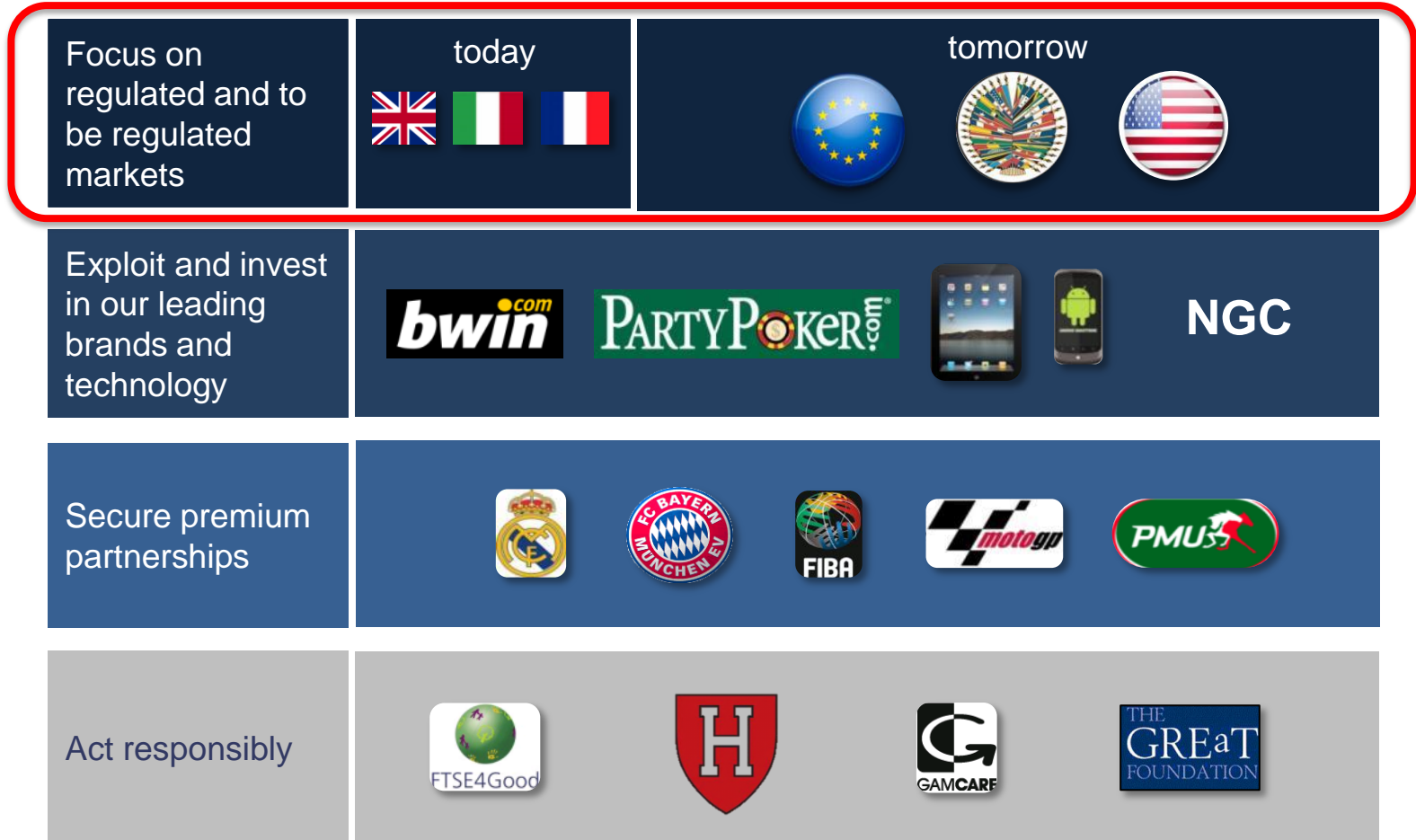
- GB/PB takes bwin live streaming - complete
- Organisation analysis and blueprint - Q3 2011
- Migration of payment volume to CQR - ongoing
- No download casino on bwin platform - Q4 2011

- **2012 key deliverables**

- Download casino for bwin platform - Q1 12
- Pooling of dotcom poker - Q3 12
- Integration of .fr and .it poker liquidity - Q3 12
- Migration of all users to target platforms - Q4 12
- Approximately €40m of synergies in 2012

24 On-track to deliver €65m in 2013

Strategy



Regulated market overview – Germany

• Current status

- Draft revised Treaty notified to Commission
- EC and Malta issued detailed opinions (also concerns from UK)
- No response from German States by EC deadline
- Delay now seems likely
- Schleswig Holstein still considering passing its own law



Other EU highlights 2011



Italy

- 10% of NGR in H1 11
- Poker cash games and Casino (not slots) at 20% GGR tax from mid July 2011
- Bingo 20% GGR tax, Sports c. 3.5% on turnover
- Poker tournament buy-in increases from €100 to €250



Spain

- 4% of NGR in H1 11
- Law passed on 29 May 11
- Expected to become effective in Q1 2012
- All products
- Tax: 25% GGR from 29 May 2011



Denmark

- 2% of NGR in H1 11
- New framework expected to start Jan 2012
- State Aid case outstanding
- Poker, Casino, Sports
- Tax: 20% GGR

Expected 2012 developments



France

- 7% of NGR in H1 11
- Draft report prepared
- Review of law expected in 2012
- Possible product portfolio expansion and change to gaming taxes?



Greece

- 5% of NGR in H1 11
- Draft law notified
- EC detailed opinion issued
- All products
- Tax: 30% of GGR
- Retrospective tax proposed from 2010 – likely to be contrary to EU law



UK

- Proposed changes to require licensing of offshore operators
- Unlikely to be included in 2012 legislative calendar
- Consultation on possible tax changes not yet started

Jim Ryan
Co-CEO

US market re-entry

- **Strategy**
 - Prepare at Federal and State level
- **Assets**
 - PartyPoker, WPT & PokerRoom
 - Poker platform and infrastructure
 - Subscription poker business model
 - World Poker Tour
- **Partners**
 - Federal: finalising agreements
 - New Jersey: finalising agreements
 - California: well advanced
- **Lobbying**
 - Cooperative effort with our prospective partners as well as our own lobbyists in Washington



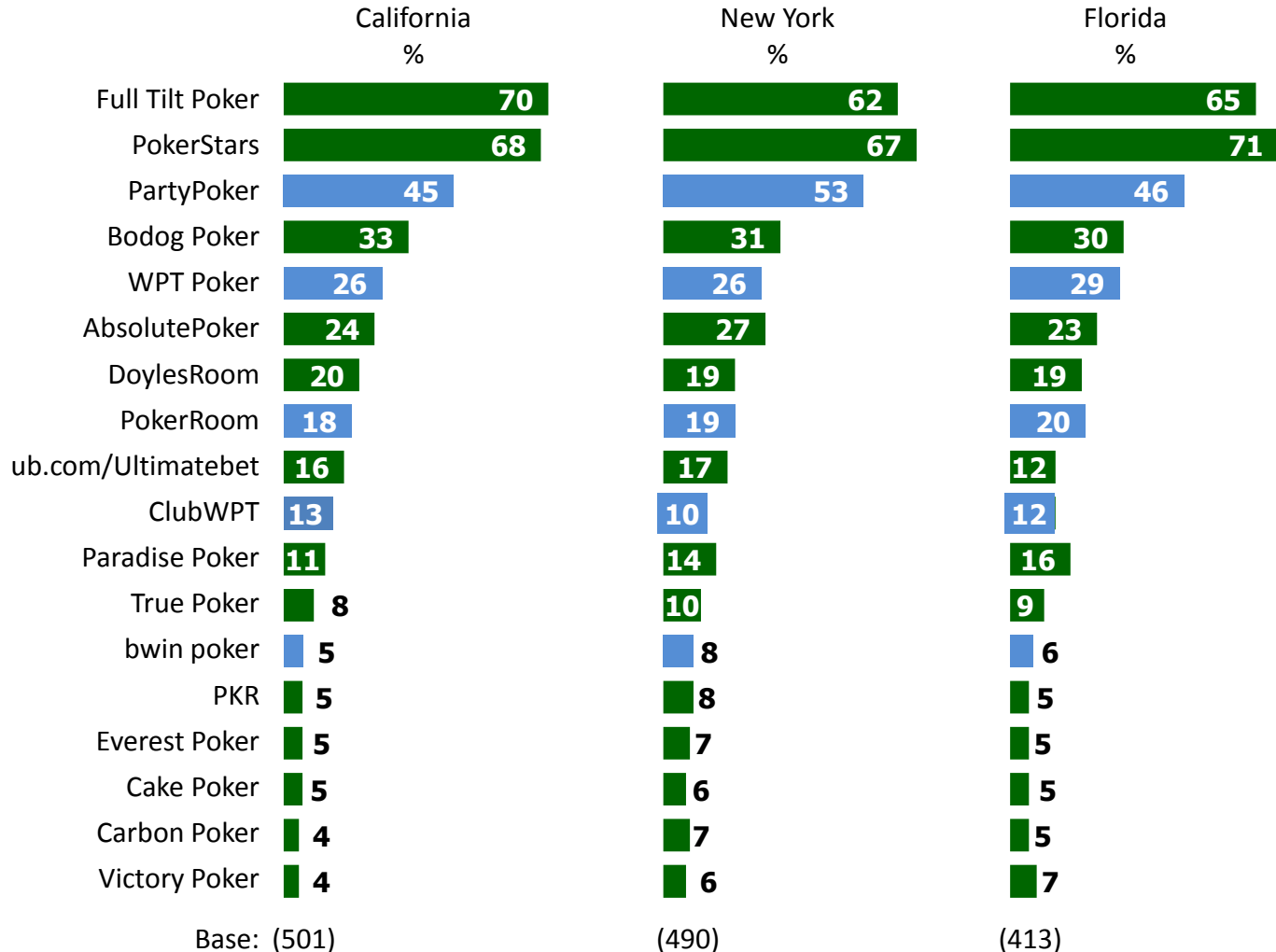
US market re-entry – brand awareness Nov 2010

“Please select all the websites where you can play poker online, that you have ever heard of?”

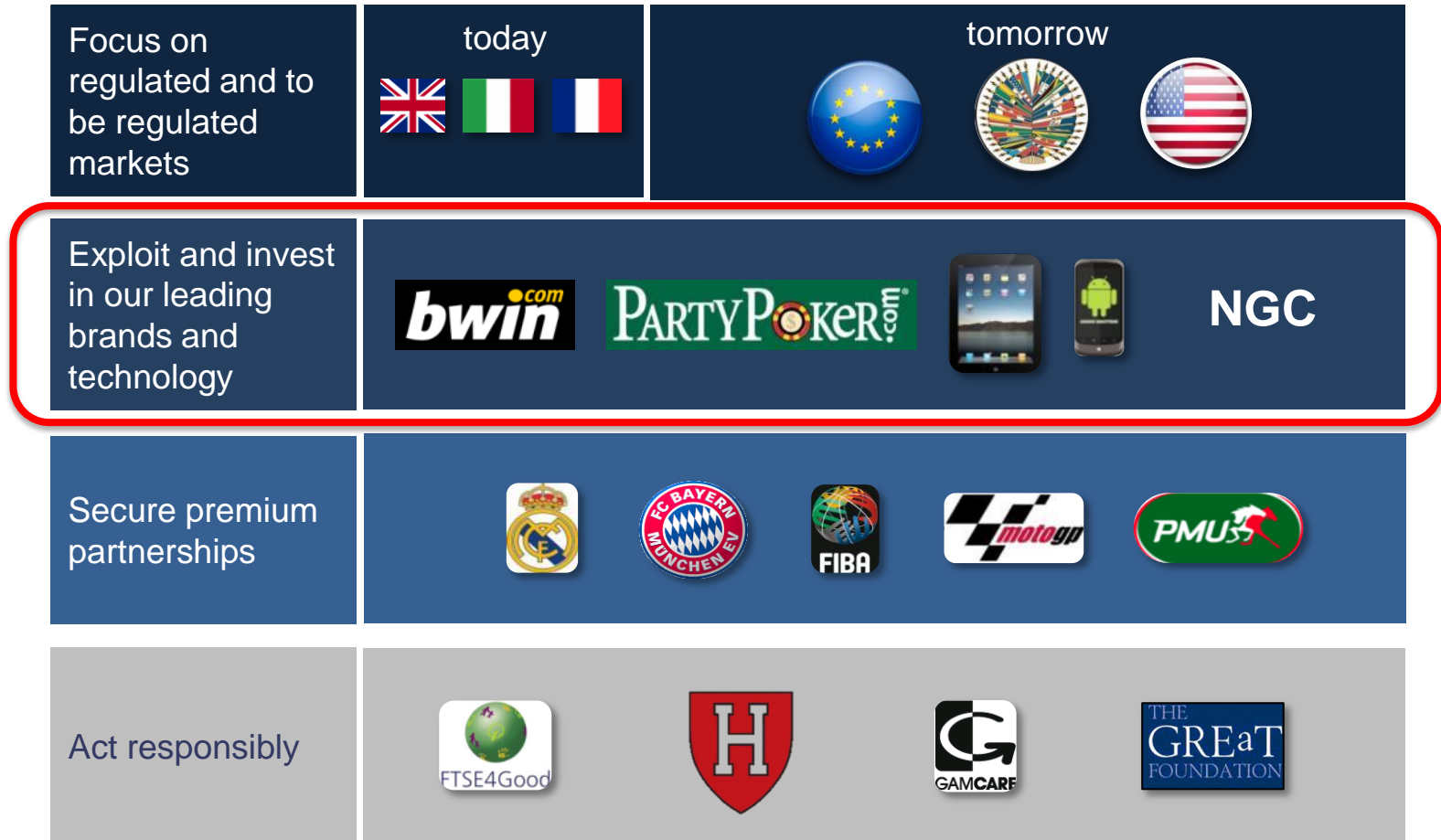
Prompted awareness

Per state

#1
#3
#5
#6
#9

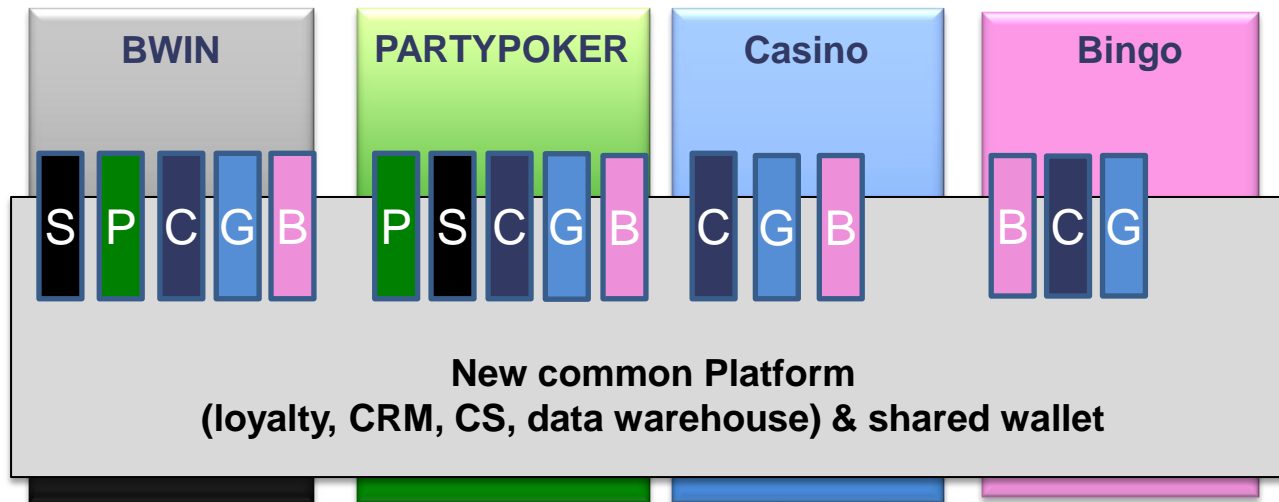


Strategy



Investing in our brands and technology

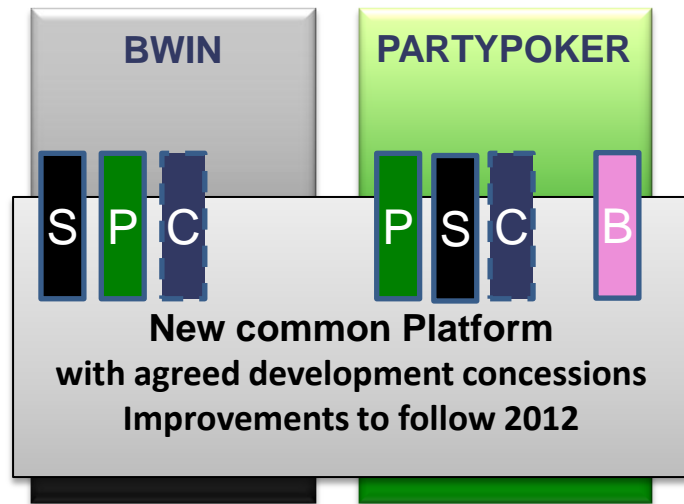
Brand architecture - the ideal picture*



* above is flexible and can be heavily influenced by regulation (e.g. France does not allow casino) and local needs (e.g. we will not offer bingo on bwin.com but yes on bwin.es and bwin.it)

Investing in our brands and technology

Next regulated markets - Spain



Casino side games only

Plus potential B2B partner(s)

Investing in our brands and technology

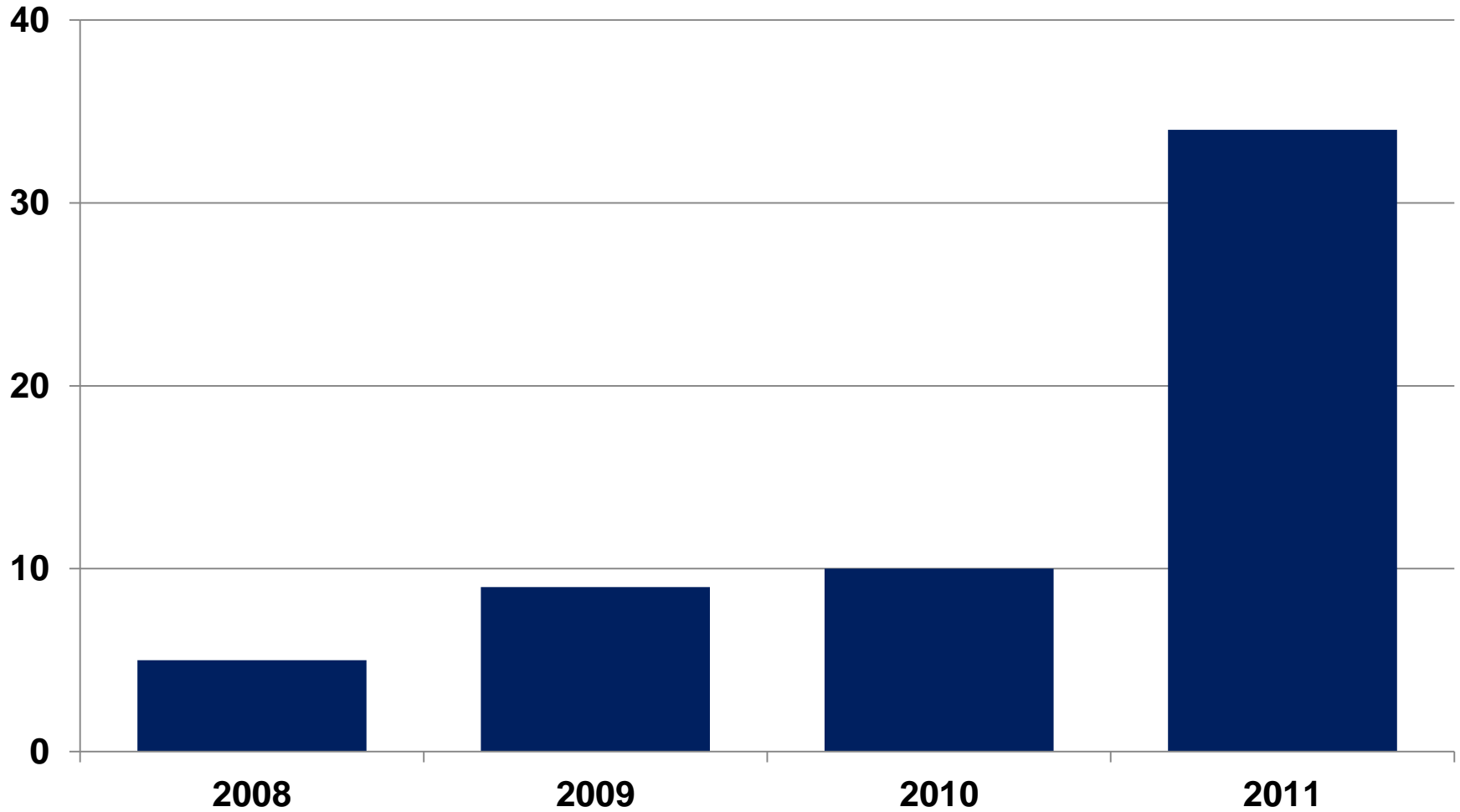
Next regulated markets
- Denmark



Plus potential B2B partner(s)

Investing in our brands and technology

In-house Game Production



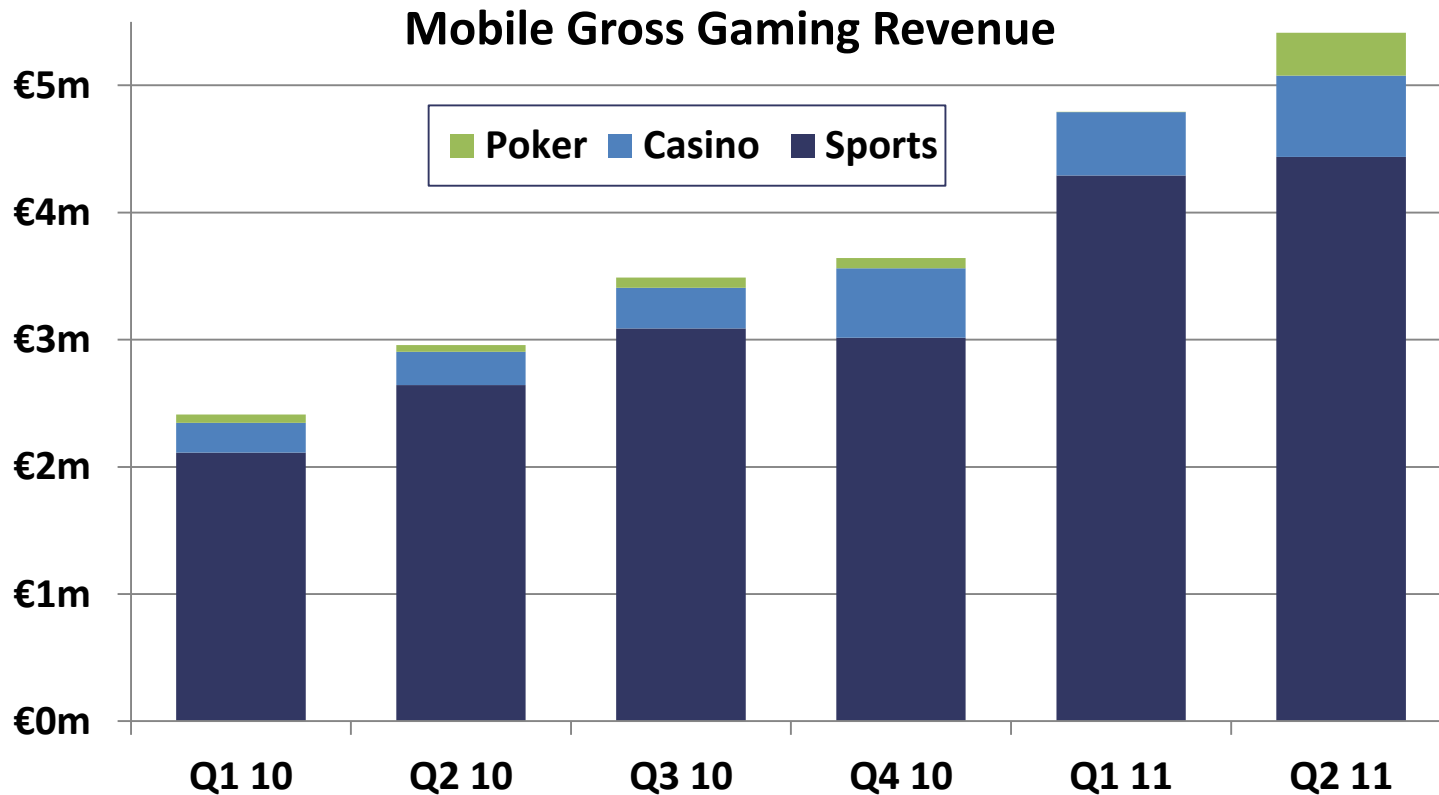
Investing in our brands and technology



Investing in our brands and technology

- **Mobile gaming market**

- 50% smartphone penetration by end of 2011
- Estimated \$11.4 billion end user revenue for mobile gaming by 2014 (Gartner)



Strategy

Focus on regulated and to be regulated markets

today



tomorrow



Exploit and invest in our leading brands and technology



NGC

Secure premium partnerships



Act responsibly



Strategy

Focus on regulated and to be regulated markets

today



tomorrow



Exploit and invest in our leading brands and technology



NGC

Secure premium partnerships



Act responsibly



Summary

- **Merger on-track**
 - Synergies of over €40m in 2012
 - Increased synergy target to €65m in 2013
 - Integration to be completed by end 2012
- **Current trading strong**
- **Half year dividend of €15m**
- **Share buy-back of up to €75m**
- **Preparing for newly regulated markets**
 - Spain
 - Denmark
 - US
- **Confident about full year outlook**

... , plus upside options remain intact

- **Existing market growth**

- Increased penetration of online as a % of total gaming
- New channels – mobile (already +89% YoY in H1 11)
- Fewer competitors due to higher barriers to entry
- Improved regulatory framework

- **Release of hidden value**

- Payments
- Sports content
- Social gaming

- **New geographic markets**

- US, Latin America, Asia

Questions

