



## **eBet Limited Announce Half Year Results for period 31 December 2007**

**Sydney 29 February 2008**

Ebet Limited (ASX: EBT) today announced results for the half year period ended 31 December 2007.

Key points on the overall result:

- \$240k operating profit, a 23% improvement on 1H2007;
- Strong group revenue of \$12.2 million which represents an improvement of 16.25% from \$10.5m (pcp) on the prior year;
- 37% increase to \$11.1m from \$8.1m (pcp) for Domestic Gaming Systems and equipment sales. Margins are expected to improve in the next 12 months due to Bounty acquisition in January 2008 and growth in TIKIT™ (TITO) from system sales;
- Domestic System revenue increased by \$3m or 37%. eBet's market share increased in New South Wales despite the challenging climate due to the introduction of smoking legislation and large capital outlay on infrastructure by venues in preparation for the smoking bans.
- International Systems sales revenue decreased by \$695k which is primarily a timing factor. eBet was recently awarded the the Systems contract for two casinos in New Caledonia with further installations in the Philippines, Vietnam and Cambodia planned for the 2nd Half of the financial year.
- Online Wagering Services increased 18% to \$593K normalised for impact on foreign exchange expense on a like for like basis after the deduction of a one off licensing fee contribution in 1H 2006. Revenue growth was primarily driven by increased online wagering activities at both Mohegan Sun at Pocono Downs and Penn National racetracks and improvements in system user interfaces. North American online wagering is an estimated US\$15 billion dollar industry growing rapidly each year.

Whilst the Wide Area Link progressive jackpot operation in California has ceased, valuable experience was gained and this will be utilised to enter new markets at minimal cost to the company with good upside potential.

- Net loss after tax of \$1.017m following a one-off write down of \$1.4m costs for the ceased Octavian acquisition. eBet is exploring strategic opportunities with Octavian in Asia and Europe but have taken a conservative approach and written off all expenses.

Chief Executive Officer and Managing Director, Mr Tony Toohey, said "*The domestic market proved challenging for the entire industry throughout 2007 and therefore we have focused our efforts on building a strong foundation on which significant growth can be achieved in the next 12 months. Our acquisition of Bounty Limited, an investment providing significant increased revenues; substantial increase in online wagering services; regulatory approvals for TITO*

*(Ticket In Ticket Out); forward orders of TITO; and new international and local casino - venue contracts will result in growth in earnings and profit".*

## **Outlook**

1. The Bounty Limited acquisition completed on December 31 2007 for the purchase price of \$3.25m:
  - provides estimated annualised revenues of \$8million to \$8.75m of which recurring revenue is estimated at \$4.3m to \$4.7m on an annual basis or approximately 53% of total revenue;
  - provides estimated annualised EBITDA of \$1.4m to \$2.2 m;
  - was debt funded, with \$2.25m repaid to date. Cash on hand at completion being \$2.9m;
  - increased eBet's customer base by 30% to over 800 customers and increased eBet's machine install base by 25% and number of gaming machines connected to over 55,000;
  - provides eBet with an expanded technology offering with CMS (Central Monitoring System) and Wide Area Progressive (WAP) Linked Jackpot products;
  - provided systems and products that operate in Queensland, New South Wales, Tasmania and Papua New Guinea;
  - provides an exclusive marketing agreement of the Bounty Compass System with Aristocrat (ASX:ALI) in NSW;
  - provides eBet with a strong presence and offices in the Queensland market (Australia's second largest gaming market), and Victoria.
2. To date approximately 8000 units of BreakAway™ have been sold and installed. BreakAway™ enables a player to secure their gaming machine for a defined Breakaway period from the machine. eBet believes this functionality will assist NSW Clubs and Hotels to minimise the negative impact on gaming revenues following introduction of full smoking bans 2nd July 2007.
3. Ticket In Ticket Out (TITO):
  - Regulatory approvals for Full Ticket In Ticket Out (TITO) are expected in March 2008. NSW Clubs and Hotels are very positive about TITO functionality and as a result venues require new or upgraded systems. Forward orders are very strong. Regulatory and technical approvals for TITO are a key sales driver in 2H 2008.
  - eBet has developed an alternative solution, TIKIT+™ (subject to technical approvals) to enable TITO functionality for older gaming machines not able to accept the latest technology required for ticket-based gaming. It is estimated that 40% to 60% of the 100,000 gaming machines in NSW are the older type machines which require an alternative solution.

- Leveraging off the approvals for the standard TITO approvals as mentioned above, the Company believes TIKIT+™ will provide strong product sales in the later part of 2H08 and 1H09.
4. eBet received technical approvals for the Cashback Redemption Terminals (CRT's) to the eBet system in December 2007 and February 2008. CRT's provide Club and Hotel patrons with the ability to redeem machine tickets for cash at terminals throughout a venue. CRT's improve player convenience and lower venue operating costs. eBet has received strong sales demand for CRT's.
  5. eBet expects to complete the Online Wagering Joint Venture arrangements with The Woodham Group, Toronto Canada. The Joint Venture will provide increased business development skills and resources, enhanced product functionality, and greater access and potential penetration of the North American wagering market

### **About eBet**

eBet Limited (ASX: EBT) is a leading Australian gaming systems company that develops and markets a range of networked solutions for slots. It is one of the world's largest gaming systems companies with more than 800 customers who collectively operate more than 55,000 slots. Its TITO, CMS (central monitoring systems) linked progressive jackpot systems, card-based cashless gaming systems, player tracking and loyalty systems and data management solutions are installed in leading gaming venues in Australasia. The company has operations and contractual arrangements in Australia, New Zealand, the Philippines, South Korea, Vietnam, Singapore, Papua New Guinea and an online wagering division in the USA.

eBet also develops and supports online wagering systems for licensed operators in international markets. Its key customers are the New Zealand TAB, Penn National Gaming Inc. (NASDAQ: PENN) and Mohegan Sun at Pocono Downs.

**Further Information:** **Tony Toohey**  
**CEO & Managing Director**  
**eBet Limited**  
**+ 61 2 8817 4702**  
**ttoohey@ebetonline.com**