



3 September 2008

Playtech Limited
("Playtech" or "the Company" or "the Group")

Interim Results for the Six Months Ended 30 June 2008

Financial Highlights

- Total Revenues up by 85% to \$81.4 million (2007 - \$44 million)
 - Casino revenues up by 78% to \$58 million (2007 - \$32.6 million)
 - Poker revenues up by 109% to \$22 million (2007 - \$10.5 million)
- Adjusted net profit* before tax up by 90% to \$57.8 million (2007: \$30.4 million), reflecting improved margins
- Adjusted basic EPS* of 26.3 cents per share (2007: 14 cents per share)
- Interim dividend of 12 cents per share equating to approximately US\$28.5 million to be paid in October 2008 (2007: 6.1 cents per share) representing 50% of the adjusted net profit, which represents the true underlying business

* The adjusted net profit excludes various non cash items unrelated to the underlying cash trading performance totalling \$19.9 million (H1 2007: \$4.4 million)

Operational Highlights

- Playtech raised \$222.4 million (£112 million), before expenses, by way of a Placing of 21,620,946 new Ordinary Shares ("the Placing") at a price of 520 pence per share
 - The Placing Shares represent approximately 9.9% of the Company's issued Ordinary Shares immediately prior to the Placing;
 - The net proceeds of the Placing are to be utilised to finance acquisition opportunities
- Playtech continues to undertake due diligence in relation to an affiliate company, and so far progress has been satisfactory. Based on the affiliate company current trading, such transaction would be earnings accretive and significantly enhance its market position
- 10 new licence agreements signed so far in 2008, including well established operators such as Betsson, Vista Global Limited, the group behind the celebrity endorsed Hollywood Poker brand, Genting Stanley Alderney, a subsidiary of Genting International, and SNAI S.R.L, the leading Italian land based operator, which will lead to a prominent position in the Italian market
- Additional new licensees expected to launch during H2
- 3 additional licensees launched since Q2 KPIs including two licensees migrated from competitors
- Strong pipeline of potential licensees with a further 8 MOU's signed so far in 2008 in line with Playtech's focus on well established online gaming operators and leading operators in regulated markets

- Commenced software approval process in various regulated jurisdictions
- Launch of Asian P2P in August and continuing rollout currently underway
- Development of Flash Poker product completed. Rollout during Q3 2008
- Established a new games software development unit which will significantly increase the number of games released to Playtech licensees
- Exclusive licensing agreement signed with Paramount Digital Entertainment, which will enable Playtech licensees to offer games featuring two very well-known Paramount Pictures brands, "Gladiator" and "The Untouchables"
- iPoker now the world's largest poker liquidity pool (excluding US)
- Appointment of Deutsche Bank as joint broker

Mor Weizer, Chief Executive, commented:

"We are very pleased with these results, which demonstrate Playtech's continued progress as the world's leading software provider to the gaming market. Playtech is ideally placed to capitalise on the opportunities provided by the fast-growing global gaming market. The Company has potential for far more significant growth and its unique business model places it in a strong position. The Board looks forward to the future with confidence."

- ends -

For Further Information:

Mor Weizer, CEO, Playtech Ltd

c/o Bell Pottinger Corporate & Financial
www.playtech.com

Tel: +44 (0) 20 7861 3232

David Rydell / Chris Hamilton

Bell Pottinger Corporate & Financial

Tel. +44 (0) 20 7861 3232

There will be an analyst meeting and presentation for analysts today commencing at 08:45 for 09:00 start to be held at the City Presentation Centre, 4 Chiswell Street, Finsbury Square, London, EC1Y 4UP.

Dial-in details to listen to the analyst presentation:

9.00 am

UK/Rest of World Access Number +44(0)20 8609 0582

US Toll Free* Number 1 866 388 1925

A recording of the meeting will be available for a period of seven days from 3 September 2008. To access the recording please dial the following replay telephone number:

Rest of World Toll Access Number +44 (0)20 8609 0289

UK Toll Free* Access Number 0800 358 2189

US Toll Free* Access Number 1 866 676 5865

Pin Code 230497#

An audiocast of the meeting and slide presentation given at the meeting will be available on the Group's website later today.

Chairman's Statement

I am delighted to report another excellent set of interim results. Once again, Playtech achieved record levels of revenue and profit, which have been achieved through the addition of new licensees coupled with strong organic growth from existing licensees. There was significant growth across all divisions, strengthening Playtech's position as the leading software provider to the online and land based gaming industry.

In financial terms, I am pleased to report continued growth in total revenues to \$81.4 million, representing an increase of 85% on the \$44 million achieved in 2007. Casino continued to show strong growth with revenues increasing 78% to \$58 million. Poker revenues increased 109% to \$22 million. Adjusted net profit before tax (which excludes significant non-cash charges), was an impressive US\$57.8 million (2007 - \$30.4 million), an excellent result above market expectations.

Revenue from existing licensees continues to be strong and demonstrates the success of Playtech's strategy to migrate licensees from competitors, focus on regulated markets and diversify geographically. Playtech grew its licensee base with the addition of ten new licensees in the first half. Furthermore eight MOUs have also been signed so far in 2008 and Playtech expects these to be added to the portfolio during the remainder of the year.

Playtech continues to follow its successful strategy of organic and acquisitive growth, and in line with this, in June, raised \$224.4 million (£112 million) (before expenses). Coupled with a strong balance sheet and cash resources the money raised will be used to finance acquisition opportunities. A number of these opportunities have already been identified and Playtech believes they would add significant value to the Company. As such, Playtech has commenced due diligence on one of these acquisition opportunities and so far progress has been satisfactory.

Strong progress continues to be made in product development, with Playtech working closely with its partner customers to continually develop and launch new products tailored to particular markets. Playtech constantly seeks to improve the products it offers its licensees, and as such, has established a dedicated new games software development unit which will significantly increase the number of games released to its licensees, in particular to the lucrative Asian market.

The Board has approved the payment of an interim dividend of 12¢ per share which is payable, on 18 November 2008 to all shareholders on the register at 26 September 2008. The dividend is in line with our stated dividend policy and is an acknowledgment of our continued confidence in Playtech's businesses.

Finally I would like to thank everyone within Playtech for the outstanding contribution they have made in the first half of the year. It is their talent and dedication that make Playtech the success it is today. The Company is growing rapidly and with a strong pipeline of new business, new geographic markets to target, new products to launch, existing and new licensees to migrate and acquisitions to make, the Board is confident of Playtech's progress for the remainder of 2008 and beyond.

Roger Withers
Chairman

Chief Executive Officer's Report

I am pleased to announce a very successful first half performance for 2008. During the period the Group has further consolidated its position as the leading software provider to the gaming industry through the addition of new licensees and the launching of innovative new products. In the first half of 2008, the Group achieved a significant milestone when its poker network became the world's largest non-US liquidity pool, attracting additional players to its network and attracting more high-quality licensees. In addition, in line with the Group's strategy, it has established itself in various jurisdictions that are considering regulating various forms of online gaming.

Strategy

Playtech's goal is to further enhance its position as the world's leading software solution provider to the gaming industry. This will be achieved by providing our licensees with new products and management tools to target the various markets. The Group, being one of very few software providers to the online gaming industry that is able to provide a full range of products, continues to develop its products in close cooperation with the Group licensees to ensure it complies with their needs and that the products appeal to players in the various markets in which they operate. In order to maintain its leading position the Group continues to further invest considerable resources in its existing products and in the research and development of new innovative products. In addition, Playtech is focusing on markets which are in the process of regulating certain forms of online gaming and we believe that such markets hold significant growth opportunities for the Group. In line with this strategy the Group secured an agreement with SNAI S.R.L., the leading Italian land based operator, and signed several additional memoranda of understanding ("MOU's") with different Italian operators which will lead to Playtech gaining a prominent position in the Italian market. Additionally Playtech has signed several further memoranda of understanding in other various regulated jurisdictions.

Product Development

In order to support the organic growth of existing licensees whilst also attracting new high quality licensees, the Group continues to release new products on a regular basis whilst at the same time maintaining a strong pipeline of new products under development. During the first half of 2008 Playtech finalised the development and "soft" launched its new Asian P2P games, with rollout currently underway. In addition, the Group has finalised the development of its flash poker product and the roll out is also expected to occur during Q3 2008. Furthermore the Group continues the redevelopment of its Bingo offering and the new product is expected to roll out in Q4 2008.

Also during the first half of 2008, Playtech established a dedicated new games software development unit aimed at delivering an increased number of card, table and slots games to its licensees. As part of this initiative the Group signed a four-year, exclusive licensing agreement with Paramount Digital Entertainment, as part of which the Group will develop exciting new games featuring two very well-known Paramount Pictures brands, "Gladiator" and "The Untouchables" for its licensees. Playtech intends to further enhance its portfolio of branded games to its licensees.

The Group continues to make progress in the development of its land-based product through its subsidiary Videobet. Videobet is continuing to invest in expanding its games portfolio to accommodate the requirements of the European, Asian and South American land-based gaming markets.

Licensees

In line with the Group's strategy to diversify geographically, focus on regulated markets and migrate licensees from competitors, the Group has added 10 new licensees in the first six months of 2008 and has also signed 8 MOU's. The new licensees include SNAI S.R.L., the leading Italian land based betting operator, Betsson, one of the largest publicly traded online gambling operators to the European market, Vista Global Limited, the group behind the celebrity endorsed Hollywood Poker brand, and Genting Stanley Alderney, a subsidiary of Genting International, a leading integrated resorts specialist with over 20 years of international gaming expertise and global experience in developing, operating and/or marketing acclaimed casinos, to which Playtech will supply its market leading casino and poker products. This brings the total number of licensees to 60.

These licensees are an important addition to the Group's future growth, both organically and through the opportunities for cross selling to other gaming products. At the period end the Group had 10 licensees that have yet to launch and it is now in the process of launching these new licensees. We have launched three additional licensees since the period end and anticipate further launches during the second half of 2008.

Acquisition Strategy

The Group successfully raised \$222.4 million (£112 million) before expenses, during the period to be used to finance acquisition opportunities. Although the Group believes a material proportion of future growth can be generated organically, the Group has also identified a number of acquisition opportunities which, if completed, would have the potential to accelerate the development of the Group and add significant value. Playtech also continues to undertake due diligence in relation to an affiliate company, and so far progress has been satisfactory. Based on current trading of the affiliate company and the proposed deal structure, Playtech expects it to be significant to the group's profitability as well as further strengthen its market leading position.

Playtech's \$1.75 million assets acquisition of MIXTV Limited ("MIXTV") has extended the group's product portfolio beyond its online and land based offerings, and extended the distribution channels. Playtech continues to seek earning enhancing acquisitions and will continue to be opportunistic in this regard.

Outlook and Current Trading

Group revenues in the two months following the period end has been in line with management expectations during the seasonally quiet months of July and August. Since the period end, Playtech has launched three licensees and has a strong pipeline of further licensees for the second half of the year consisting of several well established and leading companies operating in regulated markets with whom Playtech is currently in various stages of negotiations. In addition, the Group is focused on cross selling opportunities to existing licensees through the addition of supplementary gaming products such as its newly acquired MIXTV offering. Playtech has signed an agreement with SNAI S.R.L, the leading Italian land based operator, which will lead to a prominent position in the Italian market.

In summary, the Board is very pleased with the Group's progress in the first half of this year. The Group believes that the combination of further organic growth, additional licensees, enhanced product portfolio and its acquisition strategy, puts Playtech in a strong position to achieve further growth in Q4 and beyond.

Mor Weizer
Chief Executive Officer

Financial and Operational Review

It is my great pleasure to announce Playtech's financial results for the six months ended 30 June 2008, which demonstrate the group's continued growth in line with our business model. Our record high revenues for the period are due both to strong organic growth from existing licensees and to the expansion of our portfolio through the addition of further licensees.

Total revenues for the six month period were \$81.4 million, representing an increase of 85% on the \$44.0 million achieved in the same period in 2007. Casino revenues totalled \$58.0 million, an increase of 78% from \$32.6 million in the same period in 2007. Poker revenues for the year totalled \$22.0 million, an increase of 109% from the \$10.5 million in the same period in 2007.

The net profit of \$37.2 million includes various significant non cash charges, relating to the investments in CY Foundation Group Limited and AsianLogic Limited; the acquisition of the assets of Tribeca; and, the employee stock option plan. These are detailed below:

	H1-2008	H1-2007
	US\$000	US\$000
Profit after tax	37,160	25,682
Tax	<u>758</u>	<u>387</u>
Profit before tax	37,918	26,069
Loss on disposal of available for sale investment in CY Foundation	-	654
Decline in fair value of available for sale investment in CY Foundation and AsianLogic	12,534	-
Impairment of software on acquisition of Tribeca	-	275
Amortisation of customer list on acquisition of Tribeca	2,486	1,663
Discounting of deferred consideration of Tribeca acquisition	759	748
Employee stock option expenses	<u>4,127</u>	<u>1,016</u>
Adjusted net profit before tax	<u>57,824</u>	<u>30,425</u>
Adjusted net profit after tax	<u>57,066</u>	<u>30,038</u>
Adjusted EPS (cents US)	<u>26.3</u>	<u>14</u>

Adjusted Net profit before tax and net profit before tax

Adjusted net profit before tax for the first six months of 2008 (net of the aforementioned significant non cash items relating to the investments in CY Foundation Group Limited and AsianLogic Limited; the acquisition of the assets of Tribeca; and the employee stock option plan as detailed in the table above) was \$57.8 million (2007 - \$30.4 million), an increase of 90% over the same period in 2007. The adjusted EPS for the year, based on the weighted average number of shares is 26.3 cents, compared to 14.0 cents in the same period in 2007. The fully diluted adjusted EPS for the first six months of 2008 was 25.0 cents compared to 13.4 in the same period in 2007.

Net profit before tax for the six months ended 30 June 2008, after the significant non-cash charges of \$19.9 million, was \$37.9 million, compared to \$26.1m in the same period in 2007. This gives earnings per share ("EPS") for the period of 17.1 cents (based on the weighted average number of shares), compared to 12.0 cents per share in the same period in 2007. The fully diluted EPS for the first six months of 2008 was 16.3 cents compared to 11.6 cents in the same period in 2007.

Cash Flow

Cash and cash equivalents as at 30 June 2008 amounted to \$326.4 million, representing 75% of the Group's total assets.

In the first six months of 2008, the Group generated cash of \$60.4 million from operating activities (2007: \$27.4 million). This high cash generation rate demonstrates the strength of the Group's business model.

The Group's cash usage in investing activities was \$20.5 million (2007: \$38.2 million), which was mainly accounted for from the Tribeca asset deal, capitalised development costs and the acquisition of fixed assets.

The Group successfully raised \$222.4 million (£112 million) before expenses, during the period by way of a placing of 21,620,946 new ordinary Shares at a price of 520 pence per Placing Share. The placing shares represented approximately 9.9% of Playtech's issued Ordinary Shares immediately prior to the placing.

The Group generated \$200 million (2007: cash used of \$12.1 million) by financing activities, mainly due to the significant public offering proceeds, netted-off by the dividend paid to its existing shareholders for the final dividend of 2007.

Cost of Operations

In accordance with its business strategy, the Group seeks to increase revenue through further investment research and development to produce better products for its licensees, penetrate new markets, and facilitate future organic growth. The Group also continues to seek additional strategic acquisitions and joint ventures. This has resulted in an increase in operating, sales and marketing, development and general and administration costs, which the Board believes is a sound investment made to gain market share in the world's most active gaming markets.

Operating expenses for the six months ended 30 June 2008, excluding significant non-cash charges, were \$12.2 million, representing an increase of 113% over the same period in 2007.

Sales and marketing expenses, excluding significant non-cash charges, were \$7.4 million, representing an increase of 35% over the same period in 2007.

Development costs, excluding significant non-cash charges, increased by 284% from the same period in 2007 to \$2.7 million. These costs are associated with investment in the improvement of existing products. The cost of new products are capitalised and amortised as part of the operating expenses when they are launched. The total capitalised costs in the first six months of 2008 were \$4.3 million.

General and administrative expenses, excluding significant non-cash charges, were \$7.2 million, an increase of 58% over the same period in 2007.

Financial Income and Tax

At the end of June 2008, the Group raised additional cash by means of a share placing which has increased the Group's cash balances by \$222.4 million. Cash is generally held in short-term deposits, which have generated a financial income of \$6.0 million in the first six months of 2008.

Only the Bulgarian and Israeli subsidiaries incurred taxable income. Total tax charges in the first six months of 2008 amounted to \$0.8 million, representing a 1.3% effective tax rate of 1.3% of the adjusted net profit before tax. The majority of profits arise in the British Virgin Islands where no tax is assessed.

Balance Sheet

Cash and cash equivalents as at 30 June 2008 amounted to \$326.4 million, largely resulting from the share placing in June 2008.

The majority of the trade receivables balance as at 30 June 2008 is due to amounts payable by licensees for the month of June 2008.

Intangible assets totalling \$63.8 million as at 30 June 2008 mainly consist of the Tribeca customer list, goodwill, patent and intellectual property rights, and development costs of products such as the

iPoker platform, mobile platform, and the Videobet product. The development of Mahjong and other Asian games is also included under this section.

Available for sale investments totalling \$22.0 million are due to the equity investments in both Foundation and AsianLogic.

Other accounts payable totalling \$23.0 million as at 30 June 2008 mainly consist of the Tribeca deferred consideration which will be fully settled by the end of 2008.

Investment in CY Foundation Group Limited

During 2007 the Group entered into a 10 year software licence agreement with CY Foundation Group Limited ("Foundation"), which re-listed on the Hong Kong Stock Exchange in March 2007 at a price of HK\$1.28. The fair value of the shares and convertible notes in Foundation as at 30 June 2008, based on the closing price of Foundation shares on the Hong Kong Stock Exchange (HK\$0.38) was \$11.0 million. The total cash paid by the Group for the shares and notes in Foundation was \$10.2 million. As such the economic unrealised gain on 30 June 2008 was \$0.8 million. The accounting treatment of this transaction takes into account the fact that the shares were acquired in connection with the software licence agreement.

The Group also entered into an agreement in 2006 to sell 50% of the shares it acquired in Foundation to ESL for a consideration of \$3.75 million which was paid in March 2008.

As a result of such accounting treatment, the Group was required to evaluate the benefit arising from the above shareholdings and record such benefit in its financial reports as deferred revenues. The Group evaluated such benefit as \$27.6 million. The Group has commenced recognition of revenues following the delivery of the software on 1 April 2008. These revenues are recognised over the remaining life time of the software license agreement. An amount of \$0.8 million was released to revenues in the period ended 30 June 2008.

In May 2008, the Group has converted the convertible notes into shares in Foundation.

The closing price of Foundation shares on 30 June 2008 was HK\$0.38, resulting in a decrease in value of the investment in Foundation in the period and a non-cash charge of \$7.9 million, which was accounted for in the Group's income statement.

Investment in AsianLogic

In December 2007, the Group entered into share purchase agreement to acquire shares of AsianLogic Limited ("ALL") for a total consideration of \$5.0 million. Following the completion of such agreement, ALL was admitted to the AIM market, and entered into a new five year term licence agreement. In connection with this licence agreement, the Group also received additional shares in ESL which was subsequently replaced with shares in ALL. The market value of the investment as at 30 June 2008 amounted to \$11.0 million, presenting an economical unrealised gain of \$6 million. The accounting treatment of this transaction takes into account the fact that the shares were acquired in connection with the software licence agreement, and considered the transaction as an available for sale investment.

As a result of this accounting treatment, the Group was required to evaluate the benefit arising from the above shareholdings and recorded the benefit in its financial reports as deferred revenues. The Group evaluated the benefit as \$10.6 million. The deferred revenues are recognised as income over the term of the licence agreement. An amount of \$1.05 million was recognised in the period.

The closing price of ALL shares on 30 June 2008 was ~~£~~0.77, resulting in a decrease in value of the investment in ALL in the period of \$4.7 million, which was accounted for in the Group's income statement.

Acquisition of non-US assets of Tribeca Tables Europe

In November 2006, the Group signed an asset purchase agreement with Tribeca Tables Europe Limited ("Tribeca") in respect of certain non US assets for a consideration calculated according to a formula based on the future earnings of the acquired assets. The final consideration payable was agreed as \$59.75 million.

The intangible assets purchased in the framework of the acquisition are being amortised over their estimated useful lives of 8 years. The amortisation charge for the six months period ended 30 June 2008 totalled \$2.5 million.

The payment of the consideration to Tribeca is by way of cash in four instalments, and has been discounted back to present values resulting in a finance cost charge of \$0.8 million for the six months period ended 30 June 2008. On 14 May 2008 the Group paid \$13.2 million of consideration. The total balance outstanding as of 30 June 2008 is \$19.7 million, including \$0.5 million of remaining discounting charge.

Dividend

On 2 September 2008, the Board declared an interim dividend of 12 US cents per share, totalling approximately \$28.5 million, (compared to 6.1 cents per share in the same period in 2007) which represents a dividend payment of 50% of the adjusted net profit after tax. The dividend will be paid on 24 October 2008 to the Shareholders and Depositary Interest holders.

During the six months ended 30 June 2008, the Company paid a final dividend for the year ended 31 December 2007 of approximately \$21.4 million or approximately 9.9 cents per share.

Guy Emodi
Chief Financial Officer

CONSOLIDATED INCOME STATEMENT

	For the six months ended		For the year ended
	30 June	30 June	31 December
	2008	2007	2007
	US\$000	US\$000	US\$000
	(Unaudited)	(Unaudited) (Reclassified)	(Audited)
Revenues	81,394	43,966	103,604
Operating expenses	(16,053)	(8,553)	(21,171)
Sales & marketing expenses	(7,772)	(5,859)	(13,902)
Development costs	(3,664)	(769)	(2,905)
Administrative expenses	(21,108)	(4,222)	(26,523)
	<u>(48,597)</u>	<u>(19,403)</u>	<u>(64,501)</u>
<i>Operating profit before the following items:</i>	<i>52,540</i>	<i>28,656</i>	<i>66,250</i>
<i>Employee stock option expense</i>	<i>(4,127)</i>	<i>(1,016)</i>	<i>(2,645)</i>
<i>Amortization of intangible assets</i>	<i>(3,082)</i>	<i>(2,148)</i>	<i>(5,304)</i>
<i>Impairment of software on acquisition</i>	<i>-</i>	<i>(275)</i>	<i>(275)</i>
<i>Decline in fair value of available for sale investments (note 3,5)</i>	<i>(12,534)</i>	<i>-</i>	<i>(18,269)</i>
<i>Loss on disposal of available for sale investment</i>	<i>-</i>	<i>(654)</i>	<i>(654)</i>
<i>Total</i>	<i><u>(19,743)</u></i>	<i><u>(4,093)</u></i>	<i><u>(27,147)</u></i>
Operating profit	32,797	24,563	39,103
Finance income	5,976	2,314	4,988
Financing cost-discounting of deferred consideration	(759)	(705)	(1,619)
Finance cost - other	(96)	(103)	(131)
Total financing cost	<u>(855)</u>	<u>(808)</u>	<u>(1,750)</u>
Profit before taxation	37,918	26,069	42,341
Tax expense	<u>(758)</u>	<u>(387)</u>	<u>(834)</u>
Profit for the period attributable to the equity holders of the parent	<u>37,160</u>	<u>25,682</u>	<u>41,507</u>
Earnings per share (in Cents) (note 6)			
Basic	17.1	12.0	19.3
Diluted	16.3	11.6	18.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Additional Paid in Capital	Available for sale reserve	Employee stock options reserve	Retained earnings	Total
	US\$000	US\$000	US\$000	US\$000	US\$000
		(Reclassified)*		(Reclassified)*	
For the six months ended 30 June, 2008					
Balance at 1 January 2008	61,636	309	3,370	61,113	126,428
Changes in equity for the period					
Adjustments for change in fair value of available for sale equity investments	-	(309)	-	-	(309)
Profit for the period	-	-	-	37,160	37,160
Total recognized income and expense for the period	-	(309)	-	37,160	36,851
Dividend paid	-	-	-	(21,410)	(21,410)
Public offering proceeds	222,449	-	-	-	222,449
Share issue costs	(4,534)	-	-	-	(4,534)
Exercise of options	3,505	-	-	-	3,505
Employee stock option scheme	-	-	4,513	-	4,513
Balance at 30 June 2008	283,056	-	7,883	76,863	367,802
For the six months ended 30 June, 2007					
Balance at 1 January 2007	56,370	-	725	47,731	104,826
Changes in equity for the period					
Adjustments for change in fair value of available for sale equity investments	-	3,744	-	-	3,744
Profit for the period	-	-	-	25,682	25,682
Total recognized income and expense for the period	-	3,744	-	25,682	29,426
Dividend paid	-	-	-	(15,028)	(15,028)
Exercise of options	2,971	-	-	-	2,971
Employee stock option scheme	-	-	1,016	-	1,016
Balance at 30 June 2007	59,341	3,744	1,741	58,385	123,211
For the year ended 31 December, 2007					
Balance at 1 January 2007	56,370	-	725	47,731	104,826
Changes in equity for the year					
Adjustments for change in fair value of available for sale equity investments	-	309	-	-	309
Profit for the year	-	-	-	41,507	41,507
Total recognized income and expense for the year	-	309	-	41,507	41,816
Dividend paid	-	-	-	(28,125)	(28,125)
Exercise of options	5,266	-	-	-	5,266
Employee stock option scheme	-	-	2,645	-	2,645
Balance at 31 December 2007	61,636	309	3,370	61,113	126,428

*= the reclassification relates to the period ended 30 June 2007 only.

CONSOLIDATED BALANCE SHEET

	As of 30 June, 2008 US\$000 (Unaudited)	As of 30 June, 2007 US\$000 (Unaudited) (Reclassified)	As of 31 December, 2007 US\$000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	5,694	3,805	5,095
Intangible assets	63,798	61,584	61,355
Other non-current assets	863	136	405
	<u>70,355</u>	<u>65,525</u>	<u>66,855</u>
CURRENT ASSETS			
Trade receivables	12,413	10,356	12,501
Other receivables	3,994	5,529	5,617
Available for sale investments (note 5)	22,003	40,917	34,846
Cash and cash equivalents	326,365	78,554	86,491
	<u>364,775</u>	<u>135,356</u>	<u>139,455</u>
TOTAL ASSETS	<u>435,130</u>	<u>200,881</u>	<u>206,310</u>
EQUITY AND LIABILITIES			
Additional paid in capital	283,056	59,341	61,636
Available for sale reserve (note 3)	-	3,744	309
Employee stock option reserve	7,883	1,741	3,370
Retained earnings	76,863	58,385	61,113
Equity attributable to equity holders of the parent	<u>367,802</u>	<u>123,211</u>	<u>126,428</u>
NON-CURRENT LIABILITIES			
Other non-current liabilities	<u>161</u>	<u>66</u>	<u>104</u>
CURRENT LIABILITIES			
Trade payables	6,829	8,587	5,260
Tax liabilities	761	557	911
Deferred revenues	36,529	29,584	39,631
Other accounts payables	23,048	38,876	33,976
	<u>67,167</u>	<u>77,604</u>	<u>79,778</u>
TOTAL EQUITY AND LIABILITIES	<u>435,130</u>	<u>200,881</u>	<u>206,310</u>

The financial statements were approved by the board and authorized for issue on 3 September, 2008

Mor Weizer Chief Executive Officer	Guy Emodi Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 June,		For the year ended 31 December,
	2008	2007	2007
	US\$000	US\$000	US\$000
	(Unaudited)	(Unaudited) (Reclassified)	(Audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	37,918	26,069	42,341
Tax	(758)	(387)	(834)
Adjustments to reconcile net income to net cash provided by operating activities (see below)	23,255	(1,757)	21,089
Net cash provided by operating activities	<u>60,415</u>	<u>27,439</u>	<u>62,596</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Long term deposits	(459)	(9)	(278)
Acquisition of property, plant and equipment	(1,705)	(1,484)	(2,620)
Proceeds from sale of equipment	-	5	35
Acquisition of intangible assets	(840)	-	(1,674)
Acquisition of business (note 4)	(13,248)	(21,149)	(27,539)
Investment in available for sale equity shareholding	-	(13,978)	(18,989)
Capitalized development costs	(4,299)	(1,616)	(3,584)
Net cash used in investing activities	<u>(20,551)</u>	<u>(38,231)</u>	<u>(54,649)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(21,410)	(15,028)	(28,125)
Public offering proceeds	222,449	-	-
Share issue costs	(4,534)	-	-
Exercise of options	3,505	2,971	5,266
Net cash provided by/(used in) financing activities	<u>200,010</u>	<u>(12,057)</u>	<u>(22,859)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>239,874</u>	<u>(22,849)</u>	<u>(14,912)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>86,491</u>	<u>101,403</u>	<u>101,403</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>326,365</u></u>	<u><u>78,554</u></u>	<u><u>86,491</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont.)

	For the six months ended 30 June,	For the year ended 31 December,
	2008	2007
	US\$000	US\$000
	(Unaudited)	(Unaudited) (Reclassified)
		(Audited)
		US\$000
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
INCOME AND EXPENSES NOT AFFECTING OPERATING CASH FLOWS:		
Depreciation	1,107	692
Amortisation	3,082	2,148
Impairment loss	-	275
Decline in fair value of available for sale investment	12,534	-
Employee stock option plan expenses	4,127	1,016
Loss on disposal on available for sale investment	-	654
Finance income	-	(1,506)
Other	86	16
		52
<u>Changes in operating assets and liabilities:</u>		
Decrease/(increase) in trade receivables	88	(4,099)
Decrease in other receivables	1,623	1,008
Increase in trade payables	1,569	2,920
Increase/(decrease) in other payables	2,141	(534)
Decrease in deferred revenues	(3,102)	(833)
	23,255	(1,757)
	21,089	

NOTE 1 – GENERAL

- A.** Playtech Limited (the “Company”) was incorporated in the British Virgin Islands on 12 September, 2002 as an offshore company with limited liability.

Playtech and its subsidiaries (the “Group”) develop unified software platforms for the online and land based gambling industry, targeting online and land based operators. Playtech’s gaming applications - online casino, poker and other P2P games, bingo, mobile, live gaming, land-based kiosk networks, land based terminal and fixed-odds games - are fully inter-compatible and can be freely incorporated as stand-alone applications, accessed and funded by the operators’ players through the same user account and managed by the operator by means of a single powerful management interface.

- B.** The interim financial statements as at 30 June 2008, and 2007 and the six months then ended, respectively, have been reviewed by the Group’s external auditors.

The financial statements for the year ended 31 December 2007, which were prepared under IFRS received an unqualified audit report. However, those financial statements included an emphasis of matter paragraph relating to contingent liabilities (see note 8).

The financial information for the periods ended 30 June 2007 and 30 June 2008 contained in this interim announcement is unaudited.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The consolidated interim financial information has been prepared in accordance with the accounting policies that are expected to be adopted in the Group’s full financial statements for the year ended 31 December 2008 which are not expected to be significantly different to those set out in Note 2 of the Group’s audited financial statements for the year ended 31 December 2007. These are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 31 December 2008 or are expected to be adopted and effective at 31 December 2008. The financial information has not been prepared (and is not required to be prepared) in accordance with IAS 34. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of this financial information

These results have been prepared on the basis of accounting policies expected to be adopted in the Group’s full financial statements for the year ended 31 December 2008 which are not expected to be significantly different to those set out in Note 2 to the Group’s audited financial statements for the year ended 31 December 2007.

In the current year, the Group will adopt the following standards and interpretations, issued by the International Accounting Standards Board or the IFRIC, for the first time with no significant impact on its consolidated results or financial position.

IFRIC 11 – Group and treasury share transactions (effective for annual periods commencing on or after 1 March 2007).

IFRIC 12 – Service concession arrangements (effective for annual periods commencing on or after 1 January 2008).

There has been no change in the nature of the critical accounting estimates and judgments as set out in Note 3 to the Group’s audited financial statements for the year ended 31 December 2007.

The financial information is presented in U.S. dollars because that is the currency the Group primarily operates in.

NOTE 3 - RECLASSIFICATION IN COMPARATIVE PERIOD

In the period ended 30 June 2007, the increase in the fair value of the investment in Copernicus Trading Limited of \$3,300 thousands was accounted for as an investment in a joint venture and recognised in the income statement. The investment was reclassified as an available for sale equity investment for the year ended 31 December 2007 and as such, the increase in fair value was taken to the available for sale reserve within equity.

Accordingly, the results for the period ended 30 June 2007 have been restated compared to those previously reported. For the period ended 30 June 2007, profit before and after tax and retained earnings decreased by \$3,300 thousands and the available for sale equity reserve has increased by \$3,300 thousands. There is no impact on total equity and liabilities as at 30 June 2007.

The basis and diluted EPS for the period ended 30 June 2007 has been restated to 12.0 and 11.6 cents respectively.

NOTE 4 – ACQUISITION IN PRIOR PERIOD

In November 2006, the Company signed an asset purchase agreement with Tribeca Tables Europe Limited (“Tribeca”) in respect of certain non US assets.

The contingent consideration for the acquisition has been calculated according to a formula based on the future earnings of the acquired assets. The conditions required to acquire control and complete the agreement were satisfied in January 2007. Therefore the agreement has been accounted for as a business combination under IFRS 3 in the reporting period ended 30 June 2007 and the year ended 31 December 2007. The final consideration was \$59,750 thousands.

The value of the assets in the Tribeca books was not disclosed to the company. Accordingly, the book value on acquisition is unknown. The fair value of the net assets acquired is as below.

The intangible assets relate to the recognition of the customer lists and other intangibles acquired as part of the acquisition. These intangibles are being amortised over their estimated useful lives of 8 years. The directors reassessed the fair value of the assets acquired based on their present use and as a result the software valued at \$275 thousands on acquisition was charged to the income statement as an impairment for the year ended 31 December 2007.

	\$'000
Cash consideration to Tribeca	59,750
Expenses	1,267
Total cash consideration	<u>61,017</u>
Finance cost arising on discounting of cash consideration	<u>(2,755)</u>
Present value of consideration including expenses	<u>58,262</u>
Fair value of customer lists	40,318
Fair value of fixed assets	970
Fair value of software	275
Goodwill	16,699
Present value of the consideration including expenses	<u>58,262</u>

NOTE 4 – ACQUISITION IN PRIOR PERIOD (Cont.)

The payment of the consideration to Tribeca is by way of cash in four instalments on 9 March 2007, 13 August 2007, 13 May 2008 and 13 November 2008, and has been discounted back to present values. On 13 May 2008, the cash consideration paid was \$13,248 thousands. As at 30 June 2008, unpaid consideration amounted to \$19,718 thousands before the remaining discounting charge of \$525 thousands (net \$19,193 thousands).

NOTE 5 – INVESTMENTS

	As of 30 June,		As of 31
	2008	2007	December,
	US\$000	US\$000	2007
Available for sale investments comprise:			US\$000
A. Investment in Foundation Group Limited			
• Shares	11,048	4,847	2,239
• Convertible notes	-	36,070	16,665
	11,048	40,917	18,904
B. Investment in AsianLogic	10,955	-	15,942
	22,003	40,917	34,846

- A. During 2007 the Group entered into a 10 year software licence agreement with Foundation Group Limited (“Foundation”), a company incorporated in Bermuda which during March 2007 re-listed on the Hong Kong Stock Exchange at a price of HK\$1.28 (“Flotation Price”). In connection with the software licence agreement the Group also entered into the following agreements in respect of ordinary shares in Foundation:

- a share sale and purchase agreement with Luck Continent Limited to acquire 53,750,000 ordinary shares of HK\$0.001 each in Foundation;
- a share sale and purchase agreement with Emphasis Services Limited (“ESL”) to purchase 50% of the ordinary shares in Copernicus Trading Limited (“Copernicus”), a private company incorporated in the British Virgin Islands. Copernicus’ only asset is a convertible note convertible into 400,000,000 shares in Foundation.

The above investments have been accounted for as available for sale investments and are reflected as current assets as they will only be held for the short term.

The 53,750,000 shares in Foundation were acquired for \$7,500 thousands, which represented an aggregate discount of 15% to the Flotation Price. These shares have been classified as an available for sale asset. The Group also entered into an agreement to sell 50% of the 53,750,000 shares it acquired in Foundation to ESL for a consideration of \$3,750 thousands payable in September 2007. As a consequence, the loss from the disposal of \$654 thousands has been reflected in the income statement in 2007. The fair value of 50% of the shares at time of acquisition was \$4,403 thousands. The fair value at 30 June 2008 amounted to \$1,309. In accordance with IAS 39, the decrease in value of \$3,094 thousands has been reflected in the income statement in 2007 and 2008.

The Group acquired the shares in Copernicus for a consideration of \$6,478 thousands. Based on Foundation’s share price at this time, the underlying value of the Group’s interest in the convertible note amounted to \$32,770 thousands. The Group’s interest in the convertible note was transferred in November 2007 to Evermore Trading Limited, a 100% subsidiary of Playtech Software Limited. In May 2008, the Group has converted the convertible notes into shares in Foundation. The Group’s interest at 30 June 2008 was \$9,739 thousands. In accordance with IAS 39, the decrease in value of \$23,031 thousands has been reflected in the income statement in 2007 and 2008.

NOTE 5 – INVESTMENTS (Cont.)

	30 June,		31 December,
	2008	2007	2007
	US\$000	US\$000	US\$000
Decline in fair value of available for sale investment in Foundation recognised in the income statement:			
• Shares	7,856	-	2,164
• Convertible notes	-	-	16,105
Total decline in fair value of available for sale investment in Foundation recognised in the income statement	7,856	-	18,269

The increase in the fair value for the period ended 30 June 2007 was taken to the available for sale reserve within equity as described in note 3.

The Directors consider the fair value of the consideration received by way of discount to the market value of the 53,750,000 Foundation shares of \$1,307 thousands and the fair value of the convertible notes in excess of consideration paid of \$26,292 thousands, to represent deferred income of the software licence agreement. As a consequence, \$27,599 thousands have been included in deferred revenues. The Group has commenced recognition of revenues from the software license agreement following the delivery of the software which occurred on 1 April 2008. The revenues are recognised over the remaining life time of the software licence agreement. An amount of \$767 thousands was recognised in the period ended 30 June 2008.

As at 31 August 2008, the closing price of Foundation shares was HK\$ 0.24 compared to HK\$ 0.38 as at 30 June 2008. This has resulted in a decrease in the fair value of the total available for sale equity shareholding and convertible notes of \$4,073 thousands. This reduction in value is a non-adjusting post balance sheet event and has not therefore been accounted for as at 30 June 2008.

Tom Hall, a non executive director of the Group, is also a director and shareholder of ESL.

- B.** In December 2007 the Group entered into a share purchase agreement to acquire 246 shares of ESL for a total consideration of \$5,011 thousands. Following the completion of such agreement, AsianLogic Limited ("ALL") was admitted to the AIM market at a price of £1.1162 ("Flotation Price"). Separately and in connection with the entry into a new software license agreement with ESL for a 5 year term, the Group received 467 shares in ESL for no consideration. In addition, the Group entered into a Share Exchange Agreement with AsianLogic Limited ("ALL") the parent company of ESL, incorporated in the British Virgin Islands. Pursuant to the Share Exchange Agreement, ALL acquired all 713 of the Group's shares in ESL in consideration for the issue of 7,130,000 shares in ALL.

The 246 shares in ESL were acquired for \$5,011 thousands, which represented an aggregate discount of 15% to the Flotation Price. The same discount which a number of other pre IPO investors were offered. These shares have been classified as an available for sale asset. The fair value at 30 June 2008 amounted to \$3,780 thousands. In accordance with IAS 39, the decrease in value of \$1,231 thousands has been reflected in the income statement.

The Group received the 4,670,000 shares in ALL in consideration for agreeing a lower licence fee percentage in the software licence agreement with ESL. Based on ALL's share price at this time, the underlying value of the Group's interest in the shares amounted to \$10,622 thousands. The Group's interest at 30 June 2008 was \$7,175 thousands. In accordance with IAS 39, the decrease in value of \$3,447 thousands has been reflected in the income statement.

NOTE 5 – INVESTMENTS (Cont.)

	30 June,		31 December,
	2008	2007	2007
	US\$000	US\$000	US\$000
Total decline in fair value of available for sale investment in AsianLogic recognised in the income statement:	4,678	-	-

The Directors consider the fair value of the consideration received by way of discount to the market value of the 4,670,000 shares, to represent deferred income of the software licence agreement. As a consequence, \$10,621 thousands have been included in deferred revenues, which will be realised as income over the life time of the software licence agreement. An amount of \$1,051 thousands was recognised in the period ended 30 June 2008.

The total value of available for sale investments in ALL at 30 June 2008 amounted to \$10,955 thousands.

As at 31 August 2008, the closing price of ALL shares was £0.79 compared to £0.77 as at 30 June 2008. Due to the movement in the exchange rate at 31 August 2008, the fair value of the available for sale shareholding has decreased by \$701 thousands. This reduction in value is a non-adjusting post balance sheet event and has not therefore been accounted for as at 30 June 2008.

NOTE 6 – EARNINGS PER SHARE

Earnings per share have been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue and the earnings, being profit after tax are as follows:

	For the six months ended 30 June,		For the year ended 31 December,
	2008	2007	2007
	In cents	In cents	In cents
		(Restated)	
Basic	17.1	12.0	19.3
Diluted	16.3	11.6	18.4
	US\$000	US\$000	US\$000
Profit for the year	37,160	25,682	41,507
	Number	Number	Number
<i>Denominator - basic</i>			
Weighted average number of equity shares	216,953,130	213,911,016	214,715,335
<i>Denominator - diluted</i>			
Weighted average number of equity shares	216,953,130	213,911,016	214,715,335
Weighted average number of option shares	11,187,957	9,665,864	10,476,036
Weighted average number of shares	228,141,087	223,576,880	225,191,371

NOTE 6 – EARNINGS PER SHARE (Cont.)

Management believes that adjusted earnings per share reflects the underlying performance of the business and provides a clearer view of the performance of the group. Adjusted earnings are calculated as follows:

	For the six months ended 30 June,		For the year ended 31 December,
	2008	2007	2007
	In cents	In cents (Restated)	In cents
Basic- Adjusted EPS	26.3	14.0	32.2
Diluted- Adjusted EPS	25.0	13.4	30.7
	US\$000	US\$000	US\$000
Profit for the period attributable to the equity holders of the parent	37,160	25,682	41,507
Decline/(increase) in fair value of available for sale investments	12,534	-	18,269
Loss on disposal of available for sale investment	-	654	654
Impairment of software on acquisition	-	275	275
Amortization on acquisition	2,486	1,663	4,233
Finance cost on discounting of deferred consideration	759	748	1,619
Employee stock option expense	4,127	1,016	2,645
Adjusted profit	57,066	30,038	69,202

NOTE 7– SHAREHOLDERS EQUITY

A. Share capital

	Number of shares		
	30 June, 2008	30 June, 2007	31 December, 2007
Authorized	N/A(*)	N/A(*)	N/A(*)
Issued and fully paid	238,256,223	214,760,618	215,561,342

(*) The company has no authorized share capital but is authorized under its memorandum and articles of association to issue up to 1,000,000,000 shares of no par value.

B. Distribution of Dividend

In May 2008, the Company distributed \$21,410 thousands as final dividend to its existing shareholders for the year ended 31 December 2007.

C. Share issue

In June 2008, the Group raised additional cash of \$222,449 thousands by means of a share placing. Total number of shares issued amounted to 21,620,946 at a price of £5.2 per share.

D. Share options exercised

During the period 1,073,935 share options were exercised

NOTE 8 – CONTINGENT LIABILITIES

The Group is not a gaming operator and does not provide gaming services to players. From 13 October, 2006, following the approval by the US President of the Unlawful Internet Gambling Enforcement Act 2006 (the “UIGEA”), the Group requested all of its licensees to cease their US facing activity. Such request was accepted and implemented by all licensees and the Group stopped collecting royalties deriving from the licensees’ US facing activity. The directors believe that the Group has taken all measures necessary to be in full compliance with UIGEA.

The directors are aware of activity by certain regulatory authorities creating uncertainty as to further actions that may occur, if any. Accordingly, the directors have considered any residual risk arising from the Group’s activities, and the potential impact on the financial statements, and no provision has been made in the financial statements in respect of the likelihood of any adverse impact that may arise from such activities.

INDEPENDENT REVIEW REPORT TO PLAYTECH LIMITED

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 which comprises the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related explanatory notes 1 to 8.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

Emphasis of matter

In forming our review conclusion, which is not qualified, we have considered the adequacy of, and draw attention to, the disclosures made in note 8 to the financial information concerning the uncertainty over the actions, if any, that certain regulatory authorities may take. Further information is set out in note 8, which states that the Directors consider that no provision is necessary in respect of this matter.

*BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
55 Baker Street
London
W1U 7EU*

3 September 2008