

Company [New Media Lottery](#)
TIDM NMLS
Headline Preliminary Results
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New Media Lottery Services PLC
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14 AUGUST 2008

NEW MEDIA LOTTERY SERVICES PLC

("NMLS" or "the Company")

(AIM:NMLS)

**UNAUDITED PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 APRIL 2008**

The Board of New Media Lottery Services PLC, the AIM traded gaming content and systems provider today announces its preliminary results for the year ended 30 April 2008.

FINANCIAL HIGHLIGHTS

- Revenues grew 104% to €848,379 (2007: €415,797) with sales continuing to grow quarter on quarter;
- Sales on client's Lottery Bingo site increased by 99% to €21.1 million (2007: €10.6 million);
- Corresponding client player deposits increased by 88% to over €1.6 million (2007: €867,000);
- Professional and administrative costs reduced despite more than doubling revenue;
- At the year end Net debt was €3.7m (2007: €2.4m), and overall net liabilities were €4.0m (2007: €2.2m); and
- Losses fell to €1.8 million (2007 loss: €2.7 million).

BUSINESS HIGHLIGHTS

- Well positioned to move into a period of rapid growth;

- The Company has recently launched a second lottery game website in Ireland with full marketing support commencing in September 08;
- Expected launch of multiple white label bingo and lottery gaming sites later this year;
- Expected roll out of a Server based lottery program with Inspired Gaming later this year;
- Ready to replicate lottery services in multiple jurisdictions throughout the coming year; and
- Application filed for US patent protection on a prepaid mobile lottery application.

POST BALANCE SHEET HIGHLIGHTS

- €1.3 million raised by way of a secured convertible loan from Trafalgar Capital Specialized Investment Fund.

Commenting on today's announcement, Lord Mancroft, non-executive chairman, said: "**The Company has made considerable progress during the year. NMLS is well positioned to move into a period of rapid growth through its various operations, supported by the continued growth at its client websites. The Company intends to replicate lottery services in multiple jurisdictions throughout the coming year.**"

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CHAIRMAN'S STATEMENT

I am pleased to present NMLS' preliminary results for the year ended 30 April 2008. The Company has made considerable progress this year and its performance is very promising.

NMLS provides and operates white label lottery gaming platforms to a number of International Lottery programs including charities, sports associations and state lottery organisations. Unlike many internet gaming companies, NMLS only works with legitimate Government sanctioned Lottery Programs. It does not market to players in jurisdictions with regulatory uncertainties such as North America.

Financials

Client site sales for the year to 30 April 2008 increased by 99% to €21.1 million compared to €10.6 million for the year to 30 April 2007. The net revenue to the Company for this period was €[848,379] compared to €[415,797] for the year to 30 April 2007. Corresponding client player deposits similarly saw a substantial increase of 88% to more than €1.6 million compared to €867,000 for the year to April 30 2007.

NMLS' loss for the year to 30 April 2008 is €1.83 million (loss of €2.68 million in the year to 30 April 2007).

In June 2008 the Company raised €1.3 million by way of a secured convertible loan from Trafalgar Capital Specialized Investment Fund.

Review and Current Prospects

There have been a series of developments at the Company during the period in review.

NMLS has successfully launched its own social networking site called <http://www.lonely.ie/>. The lonely.ie site is supported by advertiser revenue and drives significant traffic to the lottery gaming sites. Lonely.ie has exceeded expectations in both advertising revenue growth and user participation.

The Company has spent a great deal of time developing the server based platform for use in Ireland and expects it to be revenue generating in 2008/2009. NMLS is well positioned to develop and hopes to benefit from a period of rapid growth through its various operations. This will be supported by the continued growth at its client websites. The Company also intends to duplicate lottery services in multiple jurisdictions throughout the coming year.

The NMLS software development group has now fully developed tested and implemented the Company's Server Based Lottery System. Inspired Gaming Group plc and NMLS are currently assessing a number of lottery opportunities.

Rehab Lotteries

Sales at Rehab Bingo have been growing rapidly with the site benefiting from a growing profile on the back of a number of marketing initiatives which include the sponsorship of a local Football Franchise. On a quarter by quarter basis the Company continues to grow and exceed expectations. In addition, NMLS has launched a complementary Rehab Lottery Game site which will commence full scale marketing this September. During the next quarter the Company will be launching a variety of additional lottery gaming sites in association with strategic marketing partners.

US

The Company has filed for US patent protection on a new prepaid mobile lottery application. Management reviewed existing Mobile and Prepaid Mobile patents and identified a process that improves security, offers a variety of game types and is more conducive to working with a lottery Central Management System.

NMLS continues to leverage its investment in new software and expects to announce additional contracts over the coming year. I would like to take this opportunity to thank our staff for their support over this busy period and look forward to updating investors on our further progress in due course.

Lord B. Mancroft
Chairman

New Media Lottery Services Public Limited Company
Consolidated Income Statement
for the year ended April 30th 2008

		<i>Continuing Operations</i>				
		<i>YE</i>	<i>Interim 6</i>	<i>YE</i>	<i>Interim 6</i>	
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	
<i>Note</i>		<i>Apr-08</i>	<i>Oct-07</i>	<i>Apr-07</i>	<i>Oct-06</i>	
		€	€	€	€	
	Revenue	10	863,099	373,238	432,695	173,867
	Administrative Expenses	9	-2,451,147	-1,162,432	-2,990,050	-1,669,965
	Operating Loss		-1,588,048	-789,194	-2,557,355	-1,496,098
	Finance Costs		-246,292	-127,109	-139,125	-65,734
	Loss on Ordinary Activities before Taxation		-1,834,341	-916,303	-2,696,480	-1,561,832
	Tax on Loss on Ordinary Activities		-	-	-	-
	Loss for the period attributable to Equity Shareholders		-1,834,341	-916,303	-2,696,480	-1,561,832
	Basic Loss per Ordinary Share		-€0.07	-€0.04	-€0.11	-€0.06
	Diluted Loss per Ordinary Share		-€0.07	-€0.04	-€0.11	-€0.06

***New Media Lottery Services Public Limited Company
Consolidated Balance Sheet
as at 30th April 2008***

		<i>YE</i>	<i>Interim 6</i>	<i>YE</i>	<i>Interim 6</i>
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>
		<i>Apr-08</i>	<i>Oct-07</i>	<i>Apr-07</i>	<i>Oct-06</i>
		€	€	€	€
	Non-Current Assets				
	Property, Plant and Equipment	26,663	24,085	33,789	150,239
	Intangible Assets	143,518	206,533	230,967	71,392
		170,181	230,618	264,756	221,631
	Current Assets				
	Trade and Other Receivables	324,981	352,766	460,023	373,096
	Cash and Other Equivalents	132,896	114,642	115,387	207,307

Note

		457,877	467,409	575,410	580,402
Total Assets		628,058	698,026	840,166	802,033
Equity and Liabilities					
Equity attributable to equity holders of the Parent					
Issued Share Capital	3	242,822	241,618	241,618	240,621
Share Premium	4	3,881,372	3,845,565	3,845,566	3,771,935
Merger Reserve	5	539,377	539,377	539,377	539,377
Other Reserve	6	7,805	-	-	-
Accumulated Loss	7	-8,628,710	-7,710,672	-6,794,368	-5,659,717
Total Equity		-3,957,333	-3,084,112	-2,167,807	-1,107,784
Current Liabilities					
Trade and Other Payables		736,354	507,889	524,731	600,616
Bank Loan	8	1,220,452	1,727,951	1,281,113	-
Other Liabilities		2,243,180	1,546,299	1,202,130	-
		4,199,986	3,782,139	3,007,974	600,616
Non-Current Liabilities					
Other Liabilities - Bank Loan	8	385,406	-	-	1,309,201
Total Liabilities		4,585,392	3,782,139	3,007,974	1,909,817
Total Equity and Liabilities		628,059	698,027	840,167	802,033

***New Media Lottery Services Public Limited Company
Consolidated Cash Flow Statement
for the year ended April 30th 2008***

	<i>YE</i>	<i>Interim 6 Months</i>	<i>YE</i>	<i>Interim 6 Months</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>
	<i>Apr-08</i>	<i>Oct-07</i>	<i>Apr-07</i>	<i>Oct-06</i>
	€	€	€	€
Cash Outflow from Operating Activities				
Operating Loss before Tax	-1,834,341	-916,303	-2,696,480	-1,561,832
Depreciation	17,183	9,704	18,777	10,546
Intangible Assets Amortised	68,551	34,013	31,352	7,375
Decrease/(Increase) in debtors	135,042	107,257	-132,855	-128,377
Increase/(Decrease) in creditors	211,623	-16,841	-94,310	88,645

Costs incurred in exchange for shares	44,815	-	31,002	-
Loss on Disposal	34,481	-	-	-
Finance Charges	246,292	127,109	139,125	65,734
Net Cash Outflow from Operating Activities	-1,076,354	-655,061	-2,703,389	-1,517,910
Cashflow from Investing Activities				
Purchase of Property, Plant and Equipment	-25,640	-9,580	-19,202	-127,420
Purchase of Intangible Assets	-	-	-59,542	-
Amounts advanced to Joint Venture	-	-	-7,825	-
Net Cashflow used in Investing Activities	-25,640	-9,580	-86,569	-127,420
Cashflows from Financing Activities				
Proceeds from the Issue of Shares	-	-	-	155,012
Transaction Costs on the Issue of Shares	-	-	-	-
Loan / Debenture Proceeds	1,365,796	791,006	1,281,113	-
Finance Costs	-246,292	-127,109	-139,125	-65,734
Net Cashflows from Financing Activities	1,119,504	663,896	1,141,988	89,278
Net Increase / (decrease) in cash and cash equivalents	17,510	-744	-1,647,970	-1,556,052
Cash and cash equivalents at beginning of period	115,387	115,387	1,763,357	1,763,357
Cash and cash equivalents at end of period	132,897	114,643	115,387	207,305

***New Media Lottery Services Public Limited Company
Notes to the Consolidated Balance Sheet
as at April 30th 2008***

1. Publication of Non-Statutory Accounts

The financial information set out in this draft statement, does not constitute statutory accounts within the meaning of Section 150 of the Companies Act 1963. The financial information for the full preceding period is based on the statutory accounts for the year ended 30th April 2007. Those accounts, on which the auditors issued an unqualified opinion, have been delivered to the registrar of Companies.

2. Accounting policies

The draft financial information has been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the year ended 30th April 2007.

3. Share Capital

	<i>YE</i>	<i>Interim 6</i>	<i>YE</i>	<i>Interim 6</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>
	<i>Apr-08</i>	<i>Oct-07</i>	<i>Apr-07</i>	<i>Oct-06</i>
	<i>GBP£</i>	<i>GBP£</i>	<i>GBP£</i>	<i>GBP£</i>
Authorised Equity				
150,000,000 Ordinary Shares of GBP0.66667 pence each	1,000,000	1,000,000	1,000,000	1,000,000
Allotted, called up and fully paid equity	€	€	€	€
24,935,000 Ordinary Shares of GBP0.66667 pence each (Apr 2007: 24,800,000)	242,822	241,618	241,618	240,621
Share Capital Movement				
Opening Balance May 1st 2007	241,618			
- February 2008				
Issue of 135,000 Ordinary Shares of GBP0.66667 pence each	1,204			
Closing Balance April 30th 2008	<u>242,822</u>			

In February 2008, 135,000 Ordinary Shares of GBP£ 0.66667 pence each were issued to employees of the Group for GBP£ 0.66667 pence each in consideration for continuing contribution and loyalty to New Media Lottery Services Plc.
The value of the shares issued are €37,101, creating a share premium on this issue of €35,806.

New Media Lottery Services Public Limited Company *Notes to the Consolidated Balance Sheet* *as at April 30th 2008*

4. Share Premium

Opening Balance May 1st 2007	3,845,566
- February 2008	

Issue of 135,000 Ordinary Shares of GBP0.66667 pence each	35,806	(note 3)
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Closing Balance April 30th 2008	<u>3,881,372</u>
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5. Merger Reserve

Opening Balance May 1st 2007	539,377
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No Movement

Closing Balance April 30th 2008	<u>539,377</u>
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6. Other Reserves

Opening Balance May 1st 2007	-
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<i>February 2008 - see below</i>	<u>7,805</u>
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Closing Balance April 30th 2008	<u>7,805</u>
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In February 2008 the Group granted options over 30,000 Ordinary Shares of GBP0.66667 pence each at an option price of GBP 1 pence each. The options were granted to employees of the Group in recognition of their continuing contribution and loyalty.

7. Accumulated Reserves

Opening Balance May 1st 2007	-6,794,368
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Unaudited results - YE April 2008	<u>-1,834,341</u>
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Closing Balance April 30th 2008	<u>-8,628,709</u>
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8. Bank Loan

	USD\$
Opening Balance May 1st 2007	1,750,000

Movement during year	<u>750,000</u>
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Closing Balance April 30th 2008	<u>2,500,000</u>
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Due within one year	1,900,000
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Due after one year	<u>600,000</u>
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	<u>2,500,000</u>
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The above loan is with Comerica Bank.

New Media Lottery Services Public Limited Company
Notes to the Consolidated Balance Sheet
as at April 30th 2008

9. Administrative Expenses	<i>YE</i> <i>Unaudited</i> <i>Apr-08</i> €	<i>Interim 6</i> <i>Months</i> <i>Unaudited</i> <i>Oct-07</i> €	<i>YE</i> <i>Unaudited</i> <i>Apr-07</i> €	<i>Interim 6</i> <i>Months</i> <i>Unaudited</i> <i>Oct-06</i> €
Accountancy Fees & Audit Fees	99,859	46,558	251,710	68,500
Employee Wages, Salary and Benefits	756,674	355,006	583,887	340,661
Directors Fees	321,793	180,019	433,654	183,790
Programming Costs	33,090	31,623	55,899	29,617
Other Administration Expenses	345,256	114,123	414,850	326,607
Foreign Exchange Gains and Losses	-441,814	-162,237	-140,574	29,491
Depreciation and Amortisation	85,734	43,718	51,126	17,921
Website Hosting	114,167	60,496	122,619	46,193
Advertising & Marketing	479,015	205,029	396,823	186,519
Consultancy Fees	157,083	87,066	323,041	131,553
Legal and Professional	202,401	82,651	298,046	151,739
Web Development	5,104	-	6,646	71,988
Rent	84,035	42,450	75,513	35,285
Bingo Royalties	174,271	75,931	116,810	50,101
Loss on Disposal	34,481	-	-	-
	<u>2,451,147</u>	<u>1,162,432</u>	<u>2,990,050</u>	<u>1,669,965</u>

Foreign exchange gains have arisen on the retranslation of capital and reserves at the opening and closing rates applicable to the Group. During the year the rates have fluctuated giving rise to the above gain. The Group has also achieved the reduction of its Professional and Consultancy costs during this year.

10. Revenue Analysis

	2008	2007
	€	€
Turnover from client sites	848,379	415,797
Interest Income	<u>14,720</u>	<u>16,898</u>
	<u>863,099</u>	<u>432,695</u>

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