

31 JANUARY 2008

NEW MEDIA LOTTERY SERVICES PLC
(“NMLS” or “the Company”)
(Ticker:NMLS)

Interim Unaudited Results for the six months ended 31 October 2007

The Board of New Media Lottery Services PLC, the gaming content and systems provider, today announces its interim results for the six months ended 31 October 2007.

KEY POINTS

- Increased revenue combined with a reduced cost base has significantly cut losses in period;
- Revenue up 114% to €373k (six months to 31 October 2006: €174k);
- Client lottery website sales up by 145% to €10.217m (six months to 31 October 2006: €4.166m);
- Corresponding client player deposits increased by 154% to €766,600 (31 October 2007: €302,000).

BUSINESS HIGHLIGHTS

- Rehab Lottery Group represented the sole revenue generating programme throughout the period;
- NMLS continues to pursue lottery opportunities and expects to announce additional contracts throughout 2008;
- Continued cost focus to be targeted; and
- Server-based back office systems and games developed, tested and implemented with an accelerated roll out to continue throughout 2008.

Lord Mancroft, Non-Executive Chairman at NMLS, commented: “NMLS has successfully proven its lottery business model in Ireland and will soon launch an additional lottery game site there. Other lottery programmes are expected to soon be launched in additional markets. NMLS has also launched a relationship site in Ireland. As well as creating additional revenues this will also provide marketing support to its lottery programmes.”

Commenting on the results, John Carson, Chief Executive Officer at NMLS, said: “These last six months have been highly productive. We have identified future business opportunities, streamlined our costs and are confident of improved future trading.”

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CHAIRMAN'S STATEMENT

I am pleased to present NMLS' interim results for the six months ended 31 October 2007. The Company has continued to progress during the period and performance is in line with our expectations.

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

Financials

Client site sales for the current period were €10.217m, compared to €4.166m for the same period last year. This represents a 145% increase in client site sales. The resulting net revenue to the company for this period was €373k compared to €174k for six months to 31 October 2006, an increase of 114% in company revenue.

Administrative expenses were €1.162m, compared to €1.670m for the six months to 31 October 2006. Administrative expenses fell during the period due to an increased focus on costs that included optimising staffing levels and reducing the use of external consultants.

Losses for the six months to 31 October 2007 fell to €916k (loss of €1.561m in the six months to October 2006). By combining our current and anticipated additional revenues with our focus on streamlining costs we expect to continue this favourable trend over the next year.

Review and Current Prospects

The Company has made a series of developments over the period. Our software development group has now developed, tested and implemented NMLS' server-based back office systems and games. The accelerated roll-out of this system and game content will continue throughout 2008. In addition, NMLS has a number of additional opportunities and has successfully ported some of its lottery applications to Inspired Gaming Group's Open Server Based Gaming platform. Together with Inspired Gaming, NMLS is currently exploring several additional lottery opportunities.

Rehab Lotteries

RehabBingo.com, the site which New Media Lottery manages and markets on behalf of Rehab Lotteries in Ireland, benefited from record sales during the

period. The site benefited from a growing profile on the back of a number of marketing initiatives. During the first calendar quarter of 2008 NMLS will launch a complimentary lottery site for Rehab.

Venezuela

Due to a change in currency in Venezuela, our banking providers and the lotteries we plan to work with suggested we wait until the first quarter of 2008 in which to launch our programmes. Most of the costs of system development of these programmes have already been incurred.

NMLS continues to leverage its investment in its software and expects to announce additional contracts throughout 2008. Great care has been taken to develop systems and content that can be efficiently utilized in multiple jurisdictions. I would like to take this opportunity to thank our staff for their support over this busy period and look forward to updating investors further as to our progress at the time of our final results.

Lord B. Mancroft
Chairman

New Media Lottery Services Public Limited Company
Consolidated Income Statement
for the 6 months ended October 31st 2007

	<i>Note</i>	<i>Continuing Operations</i>			
		<i>Interim 6 Months Unaudited Oct-07 €</i>	<i>YE Audited Apr-07 €</i>	<i>Interim 6 Months Unaudited Oct-06 €</i>	<i>Final YE Audited Apr-06 €</i>
<i>Revenue</i>		373,238	432,695	173,867	40,174
Administrative Expenses	8	-1,162,432	-2,990,050	-1,669,965	-1,088,572
<i>Operating Loss</i>		-789,194	-2,557,355	-1,496,098	-1,048,398
Finance Costs		-127,109	-139,125	-65,734	-81,671
<i>Loss on Ordinary Activities before Taxation</i>		-916,303	-2,696,480	-1,561,832	-1,130,069
Tax on Loss on Ordinary Activities		-	-	-	-
<i>Loss for the period attributable to Equity Shareholders</i>		-916,303	-2,696,480	-1,561,832	-1,130,069
<i>Basic Loss per Ordinary Share</i>		-0.04	-0.11	-0.06	-0.05
<i>Diluted Loss per Ordinary Share</i>		-0.04	-0.11	-0.06	-0.05

New Media Lottery Services Public Limited Company
Consolidated Balance Sheet
as at 31st October 2007

	<i>Interim 6 Months Unaudited Oct-07 €</i>	<i>YE Audited Apr-07 €</i>	<i>Interim 6 Months Unaudited Oct-06 €</i>	<i>Final YE Audited Apr-06 €</i>
<i>Note</i>				
Non-Current Assets				
Property, Plant and Equipment	24,085	33,789	150,239	33,365
Intangible Assets	206,533	230,967	71,392	78,767
	230,618	264,756	221,631	112,132
Current Assets				
Trade and Other Receivables	352,766	460,023	373,096	244,716
Cash and Other Equivalents	114,642	115,387	207,307	1,763,358
	467,409	575,410	580,402	2,008,074
Total Assets	698,026	840,166	802,033	2,120,205
Equity and Liabilities				
Equity attributable to equity holders of the Parent				
Issued Share Capital	3 241,618	241,618	240,621	238,130
Share Premium	4 3,845,565	3,845,566	3,771,935	3,619,414
Merger Reserve	5 539,377	539,377	539,377	539,377
Accumulated Loss	6 -7,710,672	-6,794,368	-5,659,717	-4,097,887
Total Equity	-3,084,112	-2,167,807	-1,107,784	299,034
Current Liabilities				
Trade and Other Payables	507,889	524,730	600,616	511,971
Bank Loan	7 1,727,951	1,281,113	-	-
Other Liabilities	1,546,299	1,202,130	-	-
	3,782,139	3,007,973	600,616	511,971
Non-Current Liabilities				
Other Liabilities	-	-	1,309,201	1,309,200
Total Liabilities	3,782,139	3,007,973	1,909,817	1,821,171
Total Equity and Liabilities	698,027	840,166	802,033	2,120,205

New Media Lottery Services Public Limited Company
Consolidated Cash Flow Statement
for the 6 months ended October 31st 2007

	<i>Interim 6 Months Unaudited Oct-07 €</i>	<i>YE Audited Apr-07 €</i>	<i>Interim 6 Months Unaudited Oct-06 €</i>	<i>Final YE Audited Apr-06 €</i>
Cash Outflow from Operating Activities				
Operating Loss before Tax	-916,303	-2,696,480	-1,561,832	-1,130,069
Depreciation	9,704	18,777	10,546	11,139
Intangible Assets Amortised	34,013	31,352	7,375	997
Increase in debtors	107,257	-132,855	-128,377	-244,498
Increase in creditors	-16,841	-94,310	88,645	-78,945
Costs incurred in exchange for shares	-	31,002	-	-
Finance Charges	127,109	139,125	65,734	81,671
Net Cash Outflow from Operating Activities	-655,061	-2,703,389	-1,517,909	-1,359,705
Cashflow from Investing Activities				
Purchase of Property, Plant and Equipment	-9,580	-19,202	-127,420	-19,979
Purchase of Intangible Assets	-	-59,542	-	-79,764
Amounts advanced to Joint Venture	-	-7,825	-	-
Net Cashflow used in Investing Activities	-9,580	-86,569	-127,420	-99,743
Cashflows from Financing Activities				
Proceeds from the Issue of Shares	-	-	155,012	2,658,191
Transaction Costs on the Issue of Shares	-	-	-	-665,105
Issue of Debentures	-	-	-	1,309,201
Loan Proceeds / Repayments	791,006	1,281,113	-	-
Finance Costs	-127,109	-139,125	-65,734	-81,671
Net Cashflows from Financing Activities	663,896	1,141,988	89,278	3,220,616
Net Increase / (decrease) in cash and cash equivalents at 31st October	-744	-1,647,970	-1,556,051	1,761,167
Cash and cash equivalents at beginning of period	115,387	1,763,357	1,763,357	2,190
Cash and cash equivalents at end of period	114,643	115,387	207,306	1,763,357

New Media Lottery Services Public Limited Company
Notes to the Consolidated Balance Sheet
as at 31st October 2007

1. Publication of Non-Statutory Accounts

The financial information set out in this 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 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

Authorised Equity	GBP£	GBP£	GBP£	GBP£●
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	€	€	€	€
24,800,000 Ordinary Shares of GBP0.66667 pence each (Apr 2007: 24,800,000)	241,618	241,618	240,621	238,130
Share Capital Movement				
Opening Balance May 1st 2007		241,618		
No movement on share capital				
Closing Balance October 31st 2007		241,618		

New Media Lottery Services Public Limited Company
Notes to the Consolidated Balance Sheet
as at 31st October 2007

4. Share Premium

Opening Balance May 1st 2007	3,845,566
 No movement on share premium	
Closing Balance October 31st 2007	3,845,566

5. Merger Reserve

Opening Balance May 1st 2007	539,377
<i>No Movement</i>	
Closing Balance October 31st 2007	539,377

6. Accumulated Reserves

Opening Balance May 1st 2007	-6,794,368
Unaudited results - 6 me October 2007	-916,303
Closing Balance October 31st 2007	-7,710,671

7. Bank Loan

USD\$	
Opening Balance May 1st 2007	1,750,000
<i>Advanced during period</i>	
	750,000
Closing Balance October 31st 2007	2,500,000

The above loan is with Comerica Bank. This loan is repayable within the next 12 months.

New Media Lottery Services Public Limited Company
Notes to the Consolidated Balance Sheet
as at 31st October 2007

8. Administrative Expenses	<i>Interim 6 Months Unaudited Oct-07 €</i>	<i>YE Audited Apr-07 €</i>	<i>Interim 6 Months Unaudited Oct-06 €</i>	<i>Final YE Audited Apr-06 €</i>
Accountancy Fees & Audit Fees	46,558	251,710	68,500	36,942
Employee wages, salary and benefits	355,006	941,490	340,661	246,319
Directors Fees	180,019	433,654	183,790	59,500
Programming Costs	31,623	55,899	29,617	30,137
Other Administration Expenses	114,123	57,247	326,607	152,070
Foreign Exchange Gains and Losses	-162,237	-140,574	29,491	110,321
Depreciation and Amortisation	43,718	51,126	17,921	12,136
Website Hosting	60,496	122,619	46,193	63,637
Advertising & Marketing	205,029	396,823	186,519	96,552
Consultancy Fees	87,066	323,041	131,553	121,746
Legal and Professional	82,651	298,046	151,739	105,607
Web Development	-	6,646	71,988	3,159
Rent	42,450	75,513	35,285	11,691
Bingo Royalties	75,931	116,810	50,101	38,756
	<i>1,162,432</i>	<i>2,990,050</i>	<i>1,669,965</i>	<i>1,088,573</i>