

15 AUGUST 2007

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

**UNAUDITED PRELIMINARY RESULTS**  
**FOR THE YEAR ENDED 30 APRIL 2007**

The Board of New Media Lottery Services PLC, the AIM traded supplier and white label operator of lottery systems and games for government sanctioned lottery programs and charities, today announces its preliminary results for the year ended 30 April 2007.

**FINANCIAL HIGHLIGHTS**

- NMLS revenues grew 990% to €437,826 (2006: €40,174) with sales continuing to grow quarter on quarter;
- Sales on client’s Lottery Bingo site increased by 523% to €10.6 million (2006: €1.7 million); and
- Corresponding client player deposits increased by 651% to €867,000 (2006: €115,413); and
- NMLS loss for the year to 30 April 2007: €2.68 million (2006 loss: €1.1 million).

**BUSINESS HIGHLIGHTS**

- Well positioned to move into a period of rapid growth;
- Expected launch of mobile lottery systems in Venezuela in October 2007;
- Completed system testing of Server Based Lottery System;
- Ready to replicate lottery services in multiple jurisdictions throughout the coming year; and
- Filed for US patent protection on a prepaid mobile lottery application.

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 New Media Lottery Services PLC's preliminary results for the year ended 30 April 2007. We have made considerable progress this year and our 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 2007 increased by 523% to €10.6 million compared to €1.7 million for the year to 30 April 2006. The net revenue to the Company for this period was €420,928 compared to €39,352 for the year to 30 April 2006. Corresponding client player deposits similarly saw a substantial increase of 651% to €867,000 compared to €115,413 for the year to April 30 2006.

A significant growth pattern has been established in the second half with client site sales growing 78% over the previous six month period, and demonstrable growth quarter on quarter.

NMLS' loss for the year to 30 April 2007 is €2.68 million (loss of €1.1 million in the year to 30 April 2006). Expenses were higher principally due to added staffing, costs associated with the AIM listing and increased travel and marketing. Additionally, in prior years, the Company's administrative expenses were predominantly paid by the Company's U.S. parent company.

### **Review and Current Prospects**

There has been a series of developments at the Company during the period. We now own a one-third share of the software being used by three relationships sites in Brazil (following a [www.match.com](http://www.match.com) model) and the Company is developing its own for Ireland. We have spent a great deal of time developing the server based platform and we expect it to be revenue generating this coming 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.

Our software development group has now developed, tested and implemented NMLS' Server Based Lottery System. Inspired Gaming Group plc and NMLS are pursuing a number of lottery opportunities.

### **Rehab Lotteries**

In July 2007, the Company announced that it had benefited from record sales at RehabBingo.com, the site it manages and markets on behalf of Rehab Lotteries in Ireland. Sales at Rehab Lotteries 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 the 2007 Miss Ireland Pageant. This sponsorship resulted in a significant amount of media coverage, including 40 pages in the national press and two hours of TV exposure. RehabBingo continues to grow sales at pace with the site achieving record sales and player deposits for the six months to 30 June 2007.

### **Aragua**

NMLS has a 10 year lottery contract in place with the Aragua Lottery, the Venezuelan state lottery programme. The Company owns 45% of the local company in Venezuela established to hold the Aragua Lottery contract and the agreement includes mobile lottery games, internet gaming and sports betting. The plan is to introduce a variety of new products to the Venezuelan market and a launch of NMLS' mobile lottery systems is expected in October 2007. Recent National Government lottery legislation has been enacted which will eliminate illegal lottery activities and strengthen our lottery program.

### **US**

The Company has filed for US patent protection on a 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.

This follows the signing, in November 2006, of an exclusive non-transferable software licence with Las Vegas Gaming Inc. ("LVGI"), a Nevada based operator, manufacturer and distributor of products for the gaming industry. As a result, NMLS will use LVGI's Optima Game Management Software, as a base engine for its developed games. NMLS expects to utilize this software in Venezuela and a number of other markets this coming year.

NMLS continues to leverage its investment in its 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 as to our further progress.

**Lord B. Mancroft**  
**Chairman**

**New Media Lottery Services Public Limited Company**  
**Consolidated Income Statement**  
**for the year ended April 30th 2007**

	Note	YE	Continuing Operations		Final YE
		Unaudited Apr-07 €	Interim 6 Months Unaudited Oct-06 €	Final YE Audited Apr-06 €	Final YE Audited Apr-05 €
<b>Revenue</b>		437,826	173,867	40,174	0
Administrative Expenses	7	-2,969,375	-1,669,965	-1,088,572	-260,002
<b>Operating Loss</b>		-2,531,548	-1,496,098	-1,048,398	-260,002
Finance Costs		-146,401	-65,734	-81,671	-757
<b>Loss on Ordinary Activities before Taxation</b>		<b>-2,677,950</b>	<b>-1,561,832</b>	<b>-1,130,069</b>	<b>-260,759</b>
Tax on Loss on Ordinary Activities		0	0	0	0
<b>Loss for the period attributable to Equity Shareholders</b>		<b>-2,677,950</b>	<b>-1,561,832</b>	<b>-1,130,069</b>	<b>-260,759</b>
<b>Basic Loss per Ordinary Share</b>		<b>-€0.11</b>	<b>-€0.06</b>	<b>-€0.05</b>	<b>-€5.81</b>
<b>Diluted Loss per Ordinary Share</b>		<b>-€0.11</b>	<b>-€0.06</b>	<b>-€0.05</b>	<b>-€5.81</b>

**New Media Lottery Services Public Limited Company**  
**Consolidated Balance Sheet**  
**as at 30th April 2007**

		YE	Interim 6	Final YE	Final YE
		Unaudited	Months	Audited	Audited
		Apr-07	Unaudited	Apr-06	Apr-05
		€	Oct-06	€	€
	<b>Note</b>				
<b>Non-Current Assets</b>					
Property, Plant and Equipment		199,785	150,239	33,365	24,524
Intangible Assets		64,971	71,392	78,767	-
		<b>264,756</b>	<b>221,631</b>	<b>112,132</b>	<b>24,524</b>
<b>Current Assets</b>					
Trade and Other Receivables		332,222	373,096	244,716	219
Cash and Other Equivalents		128,884	207,307	1,763,358	2,190
		<b>461,106</b>	<b>580,402</b>	<b>2,008,074</b>	<b>2,409</b>
<b>Total Assets</b>		<b>725,862</b>	<b>802,033</b>	<b>2,120,205</b>	<b>26,933</b>
<b>Equity and Liabilities</b>					
<b>Equity attributable to equity holders of the Parent</b>					
Issued Share Capital	<b>3</b>	240,621	240,621	238,130	449
Share Premium	<b>4</b>	3,771,935	3,771,935	3,619,414	1,063,615
Merger Reserve	<b>5</b>	539,377	539,377	539,377	-
Accumulated Loss	<b>6</b>	-6,775,836	-5,659,717	-4,097,887	-2,047,294
<b>Total Equity</b>		<b>-2,223,904</b>	<b>-1,107,784</b>	<b>299,034</b>	<b>-983,230</b>
<b>Current Liabilities</b>					
Trade and Other Payables		531,763	600,616	511,971	142,133
Bank Loan		1,281,113	-	-	-
		<b>1,812,876</b>	<b>600,616</b>	<b>511,971</b>	<b>142,133</b>
<b>Non-Current Liabilities</b>					
Other Liabilities		1,136,889	1,309,201	1,309,200	868,029
<b>Total Liabilities</b>		<b>2,949,765</b>	<b>1,909,817</b>	<b>1,821,171</b>	<b>1,010,163</b>
<b>Total Equity and Liabilities</b>		<b>725,862</b>	<b>802,033</b>	<b>2,120,205</b>	<b>26,933</b>

**New Media Lottery Services Public Limited Company**  
**Consolidated Cash Flow Statement**  
**for the year ended April 30th 2007**

	YE Unaudited Apr-07 €	Interim 6 Months Unaudited Oct-06 €	Final YE Audited Apr-06 €	Final YE Audited Apr-05 €
<b>Cash Outflow from Operating Activities</b>				
Operating Loss	-2,531,548	-1,496,098	-1,048,398	-260,005
Depreciation	45,482	10,546	11,139	15,287
Intangible Assets Amortised	7,734	7,375	997	0
Increase in debtors	-87,506	-128,377	-244,498	3,721
(Decrease)/Increase in creditors	-152,519	88,645	-78,945	111,699
<b>Net Cash Outflow from Operating Activities</b>	<b>-2,718,357</b>	<b>-1,517,909</b>	<b>-1,359,705</b>	<b>-129,298</b>
<b>Cashflow from Investing Activities</b>				
Purchase of Property, Plant and Equipment	-211,902	-127,420	-19,979	-170
Purchase of Intangible Assets	6,062	0	-79,764	0
<b>Net Cashflow used in Investing Activities</b>	<b>-205,840</b>	<b>-127,420</b>	<b>-99,743</b>	<b>-170</b>
<b>Cashflows from Financing Activities</b>				
Proceeds from the Issue of Shares	155,012	155,012	2,658,191	0
Transaction Costs on the Issue of Shares	-	0	-665,105	0
Issue of Debentures	-	0	1,309,201	0
Loan Proceeds	1,281,113	0	0	0
Finance Costs	-146,401	-65,734	-81,671	-756
<b>Net Cashflows from Financing Activities</b>	<b>1,289,723</b>	<b>89,278</b>	<b>3,220,616</b>	<b>-756</b>
<b>Net Increase / (decrease) in cash and cash equivalents at 31st October</b>	<b>-1,634,473</b>	<b>-1,556,051</b>	<b>1,761,167</b>	<b>-130,224</b>
Cash and cash equivalents at beginning of period	1,763,357	1,763,357	2,190	132,414
<b>Cash and cash equivalents at end of period</b>	<b>128,884</b>	<b>207,306</b>	<b>1,763,357</b>	<b>2,190</b>

**New Media Lottery Services Public Limited Company**  
**Notes to the Consolidated Balance Sheet**  
**as at April 30th 2007**

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 2006. 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 2006.

3. Share Capital

<b>Authorised Equity</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
150,000,000 Ordinary Shares of £0.66667 pence each	1,000,000	1,000,000	1,000,000	1,000,000

<b>Allotted, called up and fully paid equity</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
24,800,000 Ordinary Shares of £0.66667 pence each (Apr 2006: 24,450,000 , 2005: 20,205,150)	240,621	240,621	238,130	449

<b>Share Capital Movement</b>	
<b>Opening Balance May 1st 2006</b>	238,130
<b>- 20th October 2006</b>	
Issue of 200,000 Ordinary Shares of £0.66667 pence each	1,993
<b>- 20th October 2006</b>	
Issue of 50,000 Ordinary Shares of £0.66667 pence each	498
<b>Closing Balance April 30th 2007</b>	<b>240,621</b>

On the 20th October 2006, 200,000 Ordinary Shares of £0.66667 pence each were issued to Las Vegas Gaming Inc, (LVGI) a Nevada Corporation for £0.66667 pence each in consideration for the International rights to the 'Optima' System being transferred to New Media Lottery Services Plc.

The value of the shares issued is €124,010.16, creating a share premium on this issue of €122,017.

On the 20th October 2006, 50,000 Ordinary Shares of £0.66667 pence each were issued to Tony Caporicci for £0.66667 pence each in consideration for services rendered in arranging the International rights to the 'Optima' System being transferred to New Media Lottery Services Plc.

The value of the shares issued is €31,002.54, creating a share premium on this issue of €30,504. The shares have been recognised as have the associated costs incurred in lieu of the shares.

#### 4. Share Premium

<b>Opening Balance May 1st 2006</b>	3,619,414	
<b>- 20th October 2006</b>		
Issue of 200,000 Ordinary Shares of £0.66667 pence each	122,017	(note 3)
<b>- 20th October 2006</b>		
Issue of 50,000 Ordinary Shares of £0.66667 pence each	<u>30,504</u>	(note 3)
<b>Closing Balance April 30th 2007</b>	<u><u>3,771,935</u></u>	

#### 5. Merger Reserve

<b>Opening Balance May 1st 2006</b>	539,377
No Movement	
<b>Closing Balance April 30th 2007</b>	<u><u>539,377</u></u>

#### 6. Accumulated Reserves

<b>Opening Balance May 1st 2006</b>	-4,097,887
Unaudited results - YE April 2007	-2,677,950
<b>Closing Balance April 30th 2007</b>	<b>-6,775,836</b>

#### 7. Administrative Expenses

	YE Unaudited Apr-07 €	Interim 6 Months Unaudited Oct-06 €	Final YE Audited Apr-06 €	Final YE Audited Apr-05 €
Accountancy Fees & Audit Fees	251,710	68,500	36,942	0
Employee wages, salary and benefits	941,490	479,753	246,319	0
Directors Fees	76,051	44,698	59,500	0
Programming Costs	55,899	29,617	30,137	91,081

Other Administration Expenses	532,898	376,708	190,826	25,291
Foreign Exchange Gains and Losses	-190,563	29,491	110,321	-37,179
Depreciation and Amortisation	53,216	17,921	12,136	15,287
Website Hosting	138,493	46,193	63,637	18,114
Advertising & Marketing	396,823	186,519	96,552	3,822
Consultancy Fees	323,041	131,553	121,746	104,701
Legal and Professional	308,158	151,739	105,607	38,886
Web Development	6,646	71,988	3,159	0
Rent	75,513	35,285	11,691	0
	<b>2,969,375</b>	<b>1,669,965</b>	<b>1,088,573</b>	<b>260,002</b>

The Company's administrative expenses appear to have increased substantially during this year end compared to the twelve months ended 30 April 2006 (the comparative period). The administrative expense increase is substantially due to a change in the allocation of such expenses. Prior to the 17th March 2006, significant administrative expenses were paid by the Company's U.S. parent company, named New Media Lottery Services, Inc., a Delaware corporation. After the 17 March 2006, the Company began funding all of their administrative expenses.