

BestGames Holdings Limited

Audited Results for Year Ended 31 December 2010

BestGames Holdings Ltd
("BestGames" or the "Company" or the "Group")

AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

CHIEF EXECUTIVE'S STATEMENT

BestGames announces its audited results for the year ended 31 December 2010. The Group's total revenue was down by 10.0% to €5.02 million (2009: €5.58 million), delivering an operating profit before goodwill impairment of €186,644 (2009: loss €238,927).

Key performance indicators:

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Group turnover growth	(10.0%)	(6.5%)	23.2%	37.3%
Gross profit percentage	32.4%	36.6%	38.3%	47.5%
Group current ratio	1.21	1.12	1.17	2.16
Company current ratio	1.07	1.01	1.01	1.42

Business strategy

The World Cup in South Africa and the adverse foreign exchange movement as well as the increased regulatory change during the year had an adverse effect on the Group's Poker revenue which was down by 23.1%. However, as the overriding focus of the Group during 2010 was upon securing margins across our main revenue stream, profitability was achieved.

The Group is focused on continuing to grow its business through a combination of innovative marketing, product development and by providing an excellent customer experience. At the same time, the Group is seeking to broaden its geographic spread to reduce further the Group's dependence on the Scandinavian market.

The Group's marketing approach continues to be focused on driving new poker sign-ups through a series of highly targeted and effective campaigns as well as similar activities within the bingo, casino and sports betting area. During 2010, our marketing budgets were directed towards the South American market as well as Portugal in order to create synergies between the Brazilian and Portuguese departments.

As per 2009, our exploitation of the gaming market continued to be based on a "local business" approach. We have established, as examples, local affiliates in Brazil. The Brazilian establishment continues to make important progress, and currently represents 31.2% (2009: 33.2%) of the Group's registered players and 33.47% (2009: 26.20%) of the Group's turnover. We have now identified key partners in Chile, Argentina and Portugal to act as our local affiliates in these nations. We believe our chosen strategy will generate superior returns for shareholders over the long-term.

Business development

Bestpoker's development has been founded upon attractive product, technological and marketing customer propositions. The pace of development remains rapid.

Bestbet.com is our new contribution to the group and offers its customers an extensive range of sports betting. Bestbet.com has been launched throughout our current poker markets during 2010. A substantial part of our marketing budget will be allocated to promote sports betting in Brazil as we believe that this market has an enormous potential for us, especially with the World Cup 2014 and Olympic Games 2016 coming up in Brazil.

The launch of sports betting enable us to offer players a complete poker, casino, bingo and sports betting which gives the Group a balanced product portfolio of revenue streams and superior growth and business opportunities.

The Group's player statistics are as follows:

- total number of registered players as at 31 December 2010 were 177,000 (31 December 2009: 123,000 registered players); and
- total active player base across all countries increased during the period from 6,887 in the first quarter of 2010 (2009: 5,900) to 8,440 in the fourth quarter of 2010, (2010: 6,874), up by 22.5% (2009: 16.5%).

Further enhancements of our systems infrastructure are expected this year due to the continued effort to add new features, systems upgrades and generally improve the overall customer experience.

The Group's affiliate network continues to be a differentiating factor compared with many of its competitors and through the BestPartners Affiliate Programme the Group rewards affiliates for driving real money sign-ups to the Group's product portfolio. Other important elements of the marketing mix include online and offline marketing, as well as the sponsoring of well-known personalities and other events within the off-line poker industry.

Bestpoker's customer support team is available almost 24/7, helping customers to resolve any issues they may have with the games that they are playing as well as issues regarding payments to and from their account. Our bingo, casino and sportsbetting players are being assisted 24/7.

The Group's marketing function continues to be the primary driver behind the continued growth in the Group's global customer base. The total number of registered players as at 31 March 2011 has reached to 185,000 (31 March 2010: 129,000), from more than 80 nations around the world.

The Company will be making a further announcement to give notice for the next general meeting. In the meanwhile, we would like to thank all shareholders in BestGames Holdings Ltd for their ongoing support of the Company.

Henrik Magnusson