

29 May 2008

BestGames Holdings Ltd
(‘BestGames’ or the ‘Company’)

**PRELIMINARY RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2007
(Unaudited)**

BASIS OF PREPARATION

The financial information presented in the form of a consolidated income statement, consolidated balance sheet, consolidated statement of changes in equity and consolidated cash flow statement for the group for the period ended 31 December 2007.

The financial information for the period ended 31 December 2007 complies with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. Under IFRS 3, the acquisition of Bestpoker by BestGames constitutes a reverse acquisition and consequently, group financial information has been prepared under reverse acquisition accounting rules.

FINANCIAL HIGHLIGHTS

- In the twelve months to 31 December 2007, the Group’s gross revenue has increased by 37% to EUR €4.8 million and new player sign-ups have been made.
- Group moves into Profit from operations before goodwill impairment of EUR 36,000 (2006: loss EUR 758,000).
- Total number of registered players as at 31 December 2007 were 54,000 (31 December 2006: 30,000 registered players).
- Total active player base across all countries increased during the period from 3,555 in the first quarter of 2007 to 4,597 in the fourth quarter of 2007, up by 29%.
- Bingo launched in the early 2007 and the number of registered players has steadily grown to 3,000 by December.
- In advanced discussions to introduce its own cashiering function which will reduce the network costs further and increase profitability.

Chairman, Mark Watson-Mitchell commented:

“I am delighted to report that the Group has made excellent progress during the year. BestGames’ strategy continues to work well with its portfolio of casino, bingo and mobile poker offerings, as it extends into new markets.

During the course of this year we expect to announce a number of further important business alliances with local agents in Europe and South America that will help us to promote and grow our business.

Current trading is in line with management’s expectations and based on these factors remain confident about the Group’s prospects for the coming year.”

CHAIRMAN'S STATEMENT

I am very pleased to present the first set of consolidated financial information of the Group following the reverse acquisition of Bestpoker.com Public Limited, Cyprus which was completed on 23 February 2007. You will recall that we also reported that to further facilitate the share trading and broaden the access to the capital markets, the Company's shares were also listed on the Frankfurt Stock Exchange, Open Market Segment on 13 April 2007.

The Group has delivered a solid performance in 2007 with top line sales growth of 37% to €4.8 million and new player sign-ups. We continue to execute our strategy through growing our player base, localisation of the customer offer and broadening our product family.

New poker player sign-ups averaged 1,977 per month during the 2007 and there were on average 506 active players per day, generating average gross daily revenue of €12,339 (US\$ 17,890). Poker generated a gross income of €4,788,662 for the year.

Bingo was launched in the first half of 2007 and after a slow start, the number of registered players had steadily grown to 3,000 by December 2007. Bingo generated sales of €50,358 for the year.

Gaming is still regulated in most of the European Union ("the EU") member states. However the EU is continuing to press ahead with proceedings against several Member States that are deemed to be in breach of European Community law. Many countries are under investigation by the EU in this area and a number of countries have each been issued with reasoned opinions from the EU explaining why they are deemed to be in breach of European Community law. We believe that the ongoing discussions within the EU will result in a more liberalised regulatory environment in many EU member states.

During the course of this year we expect to announce a number of further important business alliances with local agents in Europe and South America that will help us to promote and grow our business. The Board remains confident about the Group's prospects for the coming year.

Mark Watson-Mitchell

CHIEF EXECUTIVE'S REVIEW

Introduction

Through the acquisition of BestPoker.com Public Limited on 23 February 2007 the Group now offers Poker, Casino, Bingo and Mobile Poker gaming.

BestPoker.com is an established online poker-room within its markets, with a genuine focus on customer service, player retention and technical development. BestBingo.com was launched in the first half of 2007 and is the newest contribution to the Group, offering its customers online bingo and various casino games.

Regulations

As described in the Chairman's statement, gaming operates in a regulated environment in most of the EU member states but we believe that the ongoing discussions within the EU will result in a more liberalised regulatory environment in many EU member states.

Results

The financial information for the period ended 31 December 2007 complies with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under IFRS 3, the acquisition of Bestpoker by BestGames constitutes a reverse acquisition and consequently, the group financial information has been prepared under reverse acquisition accounting rules.

The Group has delivered a strong year on year growth with total revenue up 37% to €4.8 million (2006: € 3.5 million), delivering a maiden operating profit before goodwill of €36,000 (2006: €758,000 operating loss). During the year, full provision has been made for goodwill impairment of €1.92 million arising from the reverse acquisition of Bestpoker.com Public Limited, Cyprus which results in a loss before tax of €1.94 million ((2006: loss €0.77 million).

Business strategy

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 which will provide a number of new and exciting opportunities for growth, as well as reduce further the Group's dependence on the Scandinavian market.

To date the Group's marketing approach has been focused almost exclusively on driving new poker sign-ups through a series of highly targeted and effective campaigns.

Our exploitation of the gaming market is based on a "local business" approach. We have established, as examples, local affiliates in Brazil. The Brazilian establishment has already made important progress, generating 24% of the registered players respectively. 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.

The improved web-site has proven to be very attractive to serious and more demanding players and has driven significantly more traffic to Bestpoker.

The Group's marketing function has been the primary driver behind the continued growth in the Group's global customer base.

The Group continues to face strong competition from those sites that are still offering so called "kick-backs". The Group counteracts this by exploiting a broad marketing mix using different channels to reach an international customer base. Its 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 Bestpoker. Other important elements of the marketing mix include online and offline marketing, as well as the popular Bestpoker VIP shop.

Player retention remains a key element of the marketing function. Improving our understanding of the playing desires and behaviour of our players is a fundamental part of our strategy. Our system enables us to ensure that our players receive the right offer at the right time, thus maximizing their lifetime value to the Group. One example is that we have been able to improve the appeal of our 'reload' campaigns and increase the response rates from players.

Its success to date can be characterised by the following player statistics:

- Total number of registered players as at 31 December 2007 were 54,000 (31 December 2006: 30,000 registered players); and
- Total active player base across all countries increased during the period from 3,555 in the first quarter of 2007 to 4,597 in the fourth quarter of 2007, up by 29%.

Since December 2007, the Group has added bingo as well as delivered a substantial increase in the simultaneous player capacity in poker tournaments. 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.

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 players are being assisted 24/7 and our bingo software provider is St Minver in Gibraltar.

Current trading and outlook

The activities since 31 December 2007 have overall been in line with management's expectations.

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 2008 was over 60,000, representing almost a 70% increase over 12 months earlier, from more than 160 territories around the world. This translates to a strong year on year growth where Group revenue is up 37% to € 4.8 million compared to €3.5 million in 2006, driven by strong growth in the market, the introduction of a new web-site and higher net worth liquidity.

The Group is also in advanced discussions to introduce its own cashiering function which will reduce the network costs further. We remain confident about the Group's prospects for the coming year.

Henrik Magnusson

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the period ended 31 December 2007

	2007	2006
	Euro	Euro
Income from operations	4,839,020	3,523,919
Operating costs	(2,539,971)	(2,808,510)
Gross profit	2,299,049	715,409
Administrative expenses	(601,489)	(184,211)
Selling and distribution expenses	(1,660,689)	(1,289,419)
Profit/(loss) from operations before goodwill impairment	36,871	(758,221)
Reverse acquisition: goodwill impairment	(1,919,184)	-
Loss from operations after goodwill impairment	(1,882,313)	(758,221)
Finance income	13,548	2,964
Finance costs	(71,108)	(11,505)
Loss before taxation	(1,939,873)	(766,762)
Taxation	38,647	(3,598)
Loss for the period	(1,901,226)	(770,360)
Loss per share		
- Basic and diluted	Cents (3.48)	Cents (1.54)

UNAUDITED CONSOLIDATED BALANCE SHEET

As at 31 December 2007

	2007 Euro	2006 Euro
ASSETS		
Non-current assets		
Property, plant and equipment	-	6,123
Intangible assets – Goodwill	-	-
Intangible assets - Other	232,322	259,020
Deferred tax asset	38,845	-
	<hr/> 271,167	<hr/> 265,143
Current assets		
Trade receivables	472,364	51,003
Other current assets	265,275	175,132
Cash and cash equivalents	406,680	561,847
	<hr/> 1,144,319	<hr/> 787,982
Total assets	<hr/> 1,415,486	<hr/> 1,053,125
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	809,823	64,119
Share premium	1,048,059	602,641
Merger reserve	21,179,999	-
Reverse acquisition reserve	(19,458,303)	533,018
Other reserve	(1,478)	-
Retained earnings	(2,691,480)	(790,254)
	<hr/> 886,620	<hr/> 409,524
Current Liabilities		
Trade and other payables	528,866	643,601
Total equity and liabilities	<hr/> 1,415,486	<hr/> 1,053,125

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2007

	Share Capital €	Share Premium €	Merger Reserve €	Reverse Acquisition Reserve €	Other Reserve €	Retained Earnings €	Total €
Balance at 1 January 2006	-	-	-	341,888	-	(19,894)	321,994
Changes in equity for the year to 31 December 2006							
Loss for the period	-	-	-	-	-	(770,360)	(770,360)
Total recognised income and expense for the period	-	-	-	-	-	(770,730)	(770,730)
Issue of equity share capital	64,119	645,062	-	-	-	-	709,181
Share issue expenses	-	(42,421)	-	-	-	-	(42,421)
Legal entity adjustment arising from reverse acquisition of Company	-	-	-	191,130	-	-	191,130
Balance as at 31 December 2006	64,119	602,641	-	533,018	-	(790,254)	409,524
Changes in equity for the year to 31 December 2007							
Loss for the period	-	-	-	-	-	(1,901,226)	(1,901,226)
Other recognised income and expense – exchange differences	-	-	-	-	(1,478)	-	(1,478)
Total recognised income and expense for the period	-	-	-	-	(1,478)	(1,901,226)	(1,902,704)
Issue of new shares prior to acquisition	15,359	445,418	-	-	-	-	460,777
Issue of new shares on reverse acquisition	730,345	-	21,179,999	-	-	-	21,910,344
Legal entity adjustment arising from reverse acquisition of Company	-	-	-	(19,991,321)	-	-	(19,991,321)
Balance as at 31 December 2007	809,823	1,048,059	21,179,999	(19,458,303)	(1,478)	(2,691,480)	886,620
Attributable to:							
Equity holders of the Company	809,823	1,048,059	21,179,999	(19,458,303)	(1,478)	(2,691,480)	886,620

The acquisition of Bestpoker by BestGames constitutes a reverse acquisition and consequently, group accounts have been prepared under reverse acquisition accounting rules which gives rise to a “reverse acquisition reserve”.

Foreign exchange differences arising from conversion from the functional currency to presentational currency forms part of the movement in equity and is disclosed separately under “other reserve”.

UNAUDITED CONSOLIDATED CASHFLOW STATEMENT

For the year ended 31 December 2007

	2007 Euro	2006 Euro
Net cash used in operating activities	(590,840)	(252,952)
Investing activities		
Interest received	13,548	2,964
Purchase of intangible assets	(57,652)	(113,776)
Proceeds of sale of investment	19,000	-
Purchases of property, plant and equipment	-	(1,230)
	<hr/>	<hr/>
Net cash used in investing activities	(25,104)	(112,042)
	<hr/>	<hr/>
Financing activities		
Net proceeds on issue of shares	460,777	857,890
	<hr/>	<hr/>
Net cash generated from financing activities	460,077	857,890
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(155,167)	492,896
Cash and cash equivalents at beginning of year	561,847	68,951
	<hr/>	<hr/>
Cash and cash equivalents at end of year	406,680	561,847
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NOTES

1. The Company was incorporated on 26 April 2006 and was admitted to trading on PLUS on 20 July 2006.
2. On 23 February 2007, the Company acquired the entire issued share capital of Bestpoker.com Public Limited. Under IFRS 3, the acquisition of Bestpoker.com Public Limited by the Company constitutes a reverse acquisition and consequently the consolidated financial information is prepared under reverse acquisition accounting. As the year end of Bestpoker.com Public Limited is 31 December, based on an interpretation of the rules under IFRS 3, the first consolidated financial information is presented for the year ended 31 December 2007.

Reverse acquisitions are treated as a business combination so that the consolidated financial information, including the comparative information, prepared following the acquisition represents a continuation of the financial information of the legal subsidiary acquired. The comparative information has been extracted from the statutory financial statements of the legal subsidiary, a company registered in Cyprus, for the year ended 31 December 2006.

The financial information is presented in Euros, which is the presentational currency. In translating from the functional currencies to the presentational currency, income and expenses are translated at the average exchange rates for the period unless the exchange rate fluctuates significantly and assets and liabilities (excluding equity items) are translated at the exchange rates prevailing at the balance sheet date.

3. The financial information presented in this announcement is prepared under International Financial Reporting Standards as adopted by the European Union and the auditors have consented to its release.
4. The Directors do not recommend the payment of a dividend for the period.
5. The financial information set out in this announcement does not constitute consolidated statutory financial statements for the period ended 31 December 2007. The consolidated statutory financial statements of the Group for the period ended 31 December 2007 is in the course of being audited and the auditors' report has yet to be signed. The Report and Financial Statements will be posted to shareholders during June 2008.

The Directors of BestGames Holdings Limited accept responsibility for this announcement.

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