

# ANGLER | GAMING

*Progress report for the 3rd quarter 2013*

**1st July to 30<sup>th</sup> September 2013**

**Angler Gaming PLC, reg. no. C55255, Malta**

**ANGLER GAMING PLC  
2013 - Q3 PROGRESS REPORT**

**FINANCIALS FOR Q3 – Angler Gaming plc**

- **Turnover: 0 Euro**
- **Profit/Loss: -82,451.98 Euro**
- **Earnings per share: -0.0020 Euro**
- **Number of shares by 30 September 2013: 42,214,957**

**FINANCIALS FOR the period Jan to September 2013 – Angler Gaming plc**

- **Turnover: 0 Euro**
- **Profit/Loss: -251,952 Euro**
- **Earnings per share: -0.006 Euro**
- **Number of shares by 30 September 2013: 42,214,957**

**CONSOLIDATED GROUP FINANCIALS FOR the period Jan to September 2013**

- **Turnover: 137,821 Euro**
- **Profit/Loss: -1,313,835 Euro**
- **Earnings per share: -0.0311 Euro**

**Number of shares by 30 September 2013: 42,214,957**

**COMMENTS FOR Q3 2013**

- Testing and development was ongoing for two new B2B brand prototypes
- Additional B2Bs under consideration and assessment
- Mobile site for Lucky31 finalized and launched
- Loyalty Program introduced in tandem with several site improvements that enhanced the user experience
- German language added to Lucky31
- Additional payment options added e.g. instant bank transfers for European markets
- Costs stemming from activities in Q2 had a negative residual effect on Q3
- Bonus costs reduced as the direct result of a re-structure of the bonus system coupled with an increasing number of repeat customers
- Further reductions to fixed costs were achieved before the end of Q3, including changes to individual's salary taxation liability and the swapping out of some software suppliers
- Revenues trended upwards during Q3 but were still behind our Business Plan forecasts.

**COMMENTS FROM HANS DAHLGREN, CEO STARFISH MEDIA:**

“Activity continued to increase during Q3 but not at the rate expected. New B2B business will dominate the focus of Starfish during Q4. The new brands, coupled with the expanded product offerings which will include a loyalty program and mobile gaming capability, will hopefully

make Q4 something to look forward to.

Our in-house brands are still not achieving their projected level of business. However I believe the forthcoming addition of the B2B brands will result in an increase in revenues overall. We expect to go-live during October with the first of these.”

#### **COMMENTS FROM MICHAEL BENNETT, CEO ANGLER GAMING:**

The results of the Starfish operations at the very end of Q2, July and August were disappointing and the progress being recorded was notably slow. The under-performance was identified by the subsidiary as being caused by various factors, primarily a combination of a falling-off in the level of deposits, coupled with a seemingly high level of withdrawals. A poor response to marketing initiatives, especially within the inherited database, coupled with a slow start by our first B2B partner, were also reported as being major contributing factors.

During the Q3 the Board of Angler Gaming has assisted Starfish in analysing and developing its operations. A number of new practices have been adopted.

The Starfish management reacted positively to the findings of the analysis. The bonus structure has been modified with the result that operational activity has now shifted away from bonus hunters to regular players and withdrawals have stabilised.

The affiliate management team has been re-structured and the reporting functionality has been modified to allow a wider spectrum of gaming and financial reporting to the Board.

#### **COMMENTS FROM DAVID GRAY, CHAIRMAN, ANGLER GAMING:**

These are difficult times for the company as results have not matched expectations. The databases received as part of the initial set up have been disappointing and have yielded little business. Starfish has therefore refocused primarily on B2B opportunities, several of which are near to fruition or are in preliminary negotiations.

It is understood that improvement of the results is a critical requirement for the company and the steps being taken are expected to produce positive results.

#### **OUTLOOK FOR Q4**

- Starfish will continue the strategy to develop more B2B relationships, expanding the market penetration capability whilst minimising marketing costs.
- Bonus costs will continue to be reduced on all sites through introduction of alternative offers to depositors
- Expansion of product offerings (games) to attract more players
- Ongoing improvements to the management system for the deployment of B2Bs and multiple brands

*Date for Q4 2013 report will be 31<sup>st</sup> January 2014.*

*Malta, 14<sup>th</sup> October 2013*

Board of Directors of Angler Gaming PLC

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