

Date: 29 September 2008
On behalf of: NetPlay TV plc (“NetPlay TV”, “the Company” or “the Group”)
Embargoed until: 0700hrs

NetPlay TV plc

Interim results

NetPlay TV plc, (AIM: NPT), the interactive gaming company, is pleased to provide shareholders with the following trading update, together with the interim financial results for the period ending 30 June 2008.

Highlights for the period

- EBITDA in H1 2008 for the period was £1.0 million (compared to a loss of £0.9 million in H1 2007)
- Total active gaming customer base increased to over 24,000
- Gross bets in H1 2008 totalled £159 million, compared to £39 million in H1 2007 (an increase of 308%)
- Q2 gross bets exceed £96 million
- Mobile subscribers now stand at 62,000
- Acquisition of 7,600 mobile quiz subscribers from Rubberduck in March 2008
- Acquisition of Bingos.com in April 2008
- Acquisition of Sky Channel 848 (now Sky Channel 867) in May 2008
- Acquisition of PitchGaming customer database in May 2008
- New web games added to LiveRoulette.com site in July 2008

Martin Higginson, Executive Chairman and Chief Executive Officer, said:

“To date 2008 has been a positive and transformational year for the Company. In H1 we generated a profit before tax and, with the acquisition of the Bingos.com business, we have further strengthened our position as the market leader in the converged multi-platform gaming arena. We continue to invest in the business as we strive to deliver the very best player experience.”

“The Group is cognisant of the current financial climate and whilst we continue to be pleased with the overall growth in betting patterns, we continue to focus on the cost savings which can be made across all areas in order to deliver improved margins where possible. The Board believes that the Group is well positioned to build on its current assets and is confident about the year ahead.”

-Ends-

Enquiries:

NetPlay TV plc

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Notes to Editors:

- Publication photographs are available from Redleaf Communications or www.redleafpr.com

About NetPlay TV plc

NetPlay TV plc is listed on the AIM market of the London Stock Exchange (NPT). NetPlay TV operates a number of interactive gaming services under a UK gaming license, including “Live Roulette”™, Live BlackJack and Big Box Bingo. www.liveroulette.com, www.bingos.com. These services can also be viewed live on television on Sky Channel 866, and 867, as well as on selected Freeview Channels.

The Company is focused on the delivery of a converged interactive gaming experience allowing its customers to interact with its games on a variety of platforms, TV, Internet and Mobile from a common integrated wallet.

Chairman's Statement

To date 2008 has been a positive and transformational year for the Company. In H1 we generated a profit before tax and, with the acquisition of the Bingos.com business, we have further strengthened our position as market leader in the converged multi-platform gaming arena.

In H1 2008, EBITDA was £1 million, compared to a loss £0.9 million in H1 2007 . Gross bets for the period totalled £159 million compared with £39 million for the same period in 2007, an increase of 308%. The Group has gone from strength to strength since its inception in December 2006 and now has an active depositing customer base of over 86,000 players across Internet, TV and Mobile platforms.

The average time a customer spends playing our converged Live Roulette.com product in one session now exceeds 1.2 hours. This is a clear indication that our business model is one the consumer not only demands but relishes. We are now taking this knowledge and using it in both the Eurobingo.com and EuroTeleMillions.com sites in the UK and across Europe as we strive to develop the largest converged interactive gaming offering in Europe.

Operating Overview

In H1 2008, we have continued our major programme of new product development, as well as customer acquisition and retention initiatives. We made four acquisitions in the period: Rubberduck customer database; Bingos.com; Sky Channel 848 (now Sky Channel 867); and the PitchGaming customer database. We also invested in the creation of our multi-currency, multi-language back office software solution – “Project Pancho”. Collectively this has helped to strengthen NetPlay TV's position within the market as a leading European interactive gaming business.

During March 2008, the Group acquired a mobile quiz game database of 7,600 subscribers from Rubberduck Consulting Limited, a provider of mobile content and services such as ringtones, logos, music and video downloads and trivia quizzes. The consideration for the database was £70,000 and was satisfied by the issue of NetPlay TV ordinary shares.

During H1 2008, we have added more subscribers to our mobile quiz games, these now total 62,000 weekly subscribers. These players along with our Superdraw players will form the base of our new brand – www.EuroTeleMillions.com, a converged TV, Internet and Mobile offering. This service is due to be launched Q4 2008. A mixture of fun quiz games, arcade-type slots, a £1 million daily draw and a massive €10 million draw every Friday will, we believe, give customers a new enjoyable and interactive converged offering. The TV show will be broadcast in-between bingo games on Sky Channel 867.

The Group completed the acquisition of Bingos.com on 16 April 2008. Bingos.com is an established pan-European online bingo operator with over one million registered players. Bingos.com currently operates as an Internet site in the UK, Spain, Italy and Poland. The addition of Bingos.com added an Internet presence and customer volume to our TV Bingo business. This landmark acquisition enhanced NetPlay TV's position in the growing interactive bingo market and its ability to offer a truly converged TV, Internet and Mobile platform to the consumer. The converged solution offering both Internet and Television bingo is due to be launched in October 2008. The TV Bingo offering will be aired on its own dedicated Sky Channel 867, a channel we acquired earlier in the year.

As part of the transaction to acquire Bingos.com, we decided to transfer key members of the Majorcan staff to the UK and make a number of duplicated positions redundant. The total cost of this restructure is expected to be in the region of €625,000, this has been financed through a rebate from the vendors of the same amount. This transition was started in July and will complete in October 2008. This will enable us to integrate the businesses more efficiently and allow further rapid growth of our bingo offering. We now operate from one centralised multilingual customer care and VIP centre ensuring our customers get the best possible service. The total consideration of this acquisition, after the vendor rebate as announced, is €7.375 million

In Q4 2008, we will launch two new territories with our bingo offering these being Sweden and Germany. Both territories will in time be offered our converged TV and internet bingo offering.

Since the acquisition of Bingos.com, we have been working on a multi-platform, multi-currency, multi-language technical platform. This development will allow us to add new games to our offering without the need for any development work. Furthermore it will allow our customers to move seamlessly between Mobile, Internet and TV – one common wallet across any platform and in any currency. This, combined with a state of the art reporting system, will allow us to move quickly into new territories as well as adding new offerings to our existing customers. The cost of this development will be approximately £1 million all of which is being funded from cash generation.

On 6 May 2008, the Group agreed to acquire the Sky Channel 848 (now Sky Channel 867) from Hollywood TV Ltd for the sum of £475,000, satisfied by the issue of 2,375,000 ordinary shares. This new channel sits next door to Live Roulette (Sky Channel 866). This channel will be predominantly used for our various Bingo offerings.

On 27 May 2008, the Group agreed to acquire the entire gaming database of the interactive gaming company Pitch Entertainment Ltd. The acquisition was made by NetPlay TV Services Ltd, a wholly owned subsidiary of Netplay TV plc for cash consideration of £125,000. The deal included the acquisition of a database of more than 3,500 registered players whom had previously placed almost £2 million in gross bets in the previous month.

We are extremely pleased with the year-on-year growth of our Live Roulette service. Over the coming weeks and months we will add new games, greater web functionality and an integrated mobile offering into what will become our fully integrated brand, www.Supercasino.com.

In May 2008, we signed a 12 month contract with Turner Media Group, allowing us to broadcast our live roulette show on Nuts TV every Friday, Saturday and Sunday on both Freeview and Sky.

In June 2008, our contract with Virgin Media, which enabled us to broadcast our Live Roulette show on Virgin 1, came to end. We are currently in negotiations with a number of broadcasters with a view to extending our offering to more TV customers.

In July 2008, we launched a number of web games on the Live Roulette website. Betting via these games has been very encouraging with current monthly bets on the additional games exceeding £1.5 million per month. The betting margin on these games is approximately 4% compared to 2.7% on our Live Roulette product. We continue to operate these games and our automated live roulette wheel under our UK gambling license. We are, however, exploring

taking these services offshore. We expect this action would result in monthly tax savings of approximately £30,000.

We are pleased with the year-on-year growth of our business, and look forward to the future development of our various brands. Over the last 18 months we have gained significant knowledge of and insight into our customers and their appetite for a converged TV, Internet and Mobile offering. We are now taking this understanding and using it both in the UK and across Europe as we strive to develop and operate Europe's largest converged interactive gaming offering.

Financial Overview

During H1 2008, the Group's turnover was strong, reporting £10.1 million, on gross bets of £159 million compared to revenue in H1 2007 of £2.6 million on Gross bets of £39 million. The growth between these periods is mainly attributable to the substantial growth of bets on our Supercasino.com product Live Roulette and the acquisition of Bingos.com in mid-April 2008.

EBITDA* in H1 2008 was £1 million, compared to a loss in H1 2007 of £0.9 million.

The business continues to be adequately financed with a net cash balance of £3.1 million at 30 June 2008. This includes £1 million pounds relating to the amount payable in the future for the deferred consideration of Abstract Games Limited.

**EBITDA quoted is before exceptional items and share based payments*

Outlook

The Company continues to invest in building a sustainable and profitable business. The actions of the previous six months will, we believe, help us to improve profitability and build a more sustainable and broader based business. The stellar growth over the past 12 months is a clear indication that our customers like our offering. We remain focused on delivering this unique solution.

We concluded that by relocating the operational business of Bingos.com from Majorca, Spain, to the Group's existing TV and operations office in the UK, significant monthly savings could be achieved. This relocation is currently underway and will continue to be a key focus in October 2008.

Furthermore the acquisition of Bingos.com will allow us to create a fully converged interactive bingo gaming business. We will be able to offer the user the excitement of a television show plus the flexibility of 24/7 Internet bingo, as well as fun mobile quiz games.

In early 2009, we will move all of our bingo internet sites to one common pan-European site, www.Eurobingo.com. The game of bingo benefits from the maximum number of players, the more players the greater the jackpot. Offering pan-European games means larger jackpots for our players, as well as an improved margin for the house. In territories where we do not have a TV presence, we will stream the live TV show straight to the Internet. With improved bandwidth live TV is becoming more and more accessible to our player base. This move will create Europe's largest multi-platform bingo game.

We continue to invest in the business as we strive to deliver the very best in a multi-platform player experience. In early 2009, we are expanding our mobile applications, as well as continuing our development in Internet Protocol TV – we feel both of these will be key to achieving growth in the coming years both in the UK and throughout Europe. The development of our new multi-platform, multi-language “backend” systems will allow us to move into new geographies with new applications much faster than ever before. This is expected to be implemented in early 2009.

For the remainder of the year, our focus will be on growing the business organically. In the current climate we continue to tread carefully with our, “Test, Test – Roll-out” model . Every department within the group is now focused on achieving efficient cost control and improving profitability.

The remainder of 2008 continues to be about establishing solid brands in both the Casino and Bingo markets as we build strong loyalty through offering the consumer choice and simplicity in their gaming experience.

Overall we continue to be pleased with the year-on-year growth in betting patterns and margins across all products. The Board believes that the Group is well positioned to build on its current assets and is confident about the year ahead.

Martin Higginson
CEO and Executive Chairman
27 September 2008

Consolidated Income Statement
for the six months ended 30 June 2008

		Six months ended 30 June 2008	Six months Ended 30 June 2007	Year ended 31 December 2007
	Note	(unaudited) £000's	(unaudited) £000's	(audited) £ 000's
Revenue		10,129	1,959	9,411
Cost of sales		(7,051)	(1,315)	(7,788)
Gross profit		<u>3,078</u>	<u>644</u>	<u>1,623</u>
Administrative expenses		(2,385)	(1,149)	(3,128)
Group operating profit/ (loss) from continuing operations		<u>693</u>	<u>(505)</u>	<u>(1,505)</u>
Exceptional items – impairment of goodwill		-	-	(2,446)
Exceptional items – restructuring costs		(671)	(224)	(169)
Finance Income		25	85	133
Finance Costs		(12)	(14)	(21)
Profit/(Loss) before taxation		<u>35</u>	<u>(658)</u>	<u>(4,008)</u>
Income tax expense		(169)	(95)	(49)
Loss from continuing operations		<u>(134)</u>	<u>(753)</u>	<u>(4,057)</u>
Loss from discontinued operations		-	(897)	(935)
Loss for the period	5	<u><u>(134)</u></u>	<u><u>(1,650)</u></u>	<u><u>(4,992)</u></u>
Loss per share				
Basic (p) (total operations)	6	(0.14)	(2.40)	(7.25)
Diluted (p) (total operations)	6	(0.14)	(2.40)	(7.19)

Consolidated statement of changes in equity
for the six months ended 30 June 2008

	Share capital £000's	Share premium £000's	Merger reserve £000's	Other reserves £000's	Retained earnings £000's	Total £000's
As at 1 January 2008	3,802	3,593	1,457	268	(3,045)	6,075
Shares issued as purchase consideration	140	405	-	-	-	545
Shares issued for cash	2,076	4,174	-	-	-	6,250
Cost of issuing shares for cash	-	(15)	-	-	-	(15)
Transfer between reserves*	-	-	-	(80)	80	-
Share based payment charge in period	-	-	-	91	-	91
Loss for the period	-	-	-	-	(134)	(134)
As at 30 June 2008	6,018	8,157	1,457	279	(3,099)	12,812

Other reserves are comprised of share based payment reserve and investments in the companies own shares.

*The transfer between reserves relates to share based payment charges for options lapsed during the period.

Consolidated Balance Sheet
as at 30 June 2008

	As at 30 June 2008 (unaudited) £000's	As at 30 June 2007 (unaudited) £000's	As at 31 December 2007 (audited) £ 000's
ASSETS			
Non-current assets			
Goodwill	12,759	6,398	6,463
Property, plant and equipment	835	217	384
Intangible assets	1,167	-	251
Deferred tax assets	25	31	25
Total non-current assets	14,786	6,646	7,123
Current assets			
Inventories	79	-	158
Trade and other receivables	3,090	1,851	2,798
Current tax recoverable	-	102	123
Cash and cash equivalents	3,665	2,158	1,313
Total current assets	6,834	4,111	4,392
TOTAL ASSETS	21,620	10,757	11,515
EQUITY AND LIABILITIES			
Share capital	7 6,018	3,457	3,802
Share premium	8,157	2,798	3,593
Merger reserve	1,457	1,457	1,457
Other reserves	279	310	268
Retained earnings	(3,099)	(116)	(3,045)
Total equity	12,812	7,906	6,075
Non-current liabilities			
Deferred tax liabilities	165	-	-
Financial liabilities	-	-	2,530
Total non-current liabilities	165	-	2,530

	As at 30 June 2008 (unaudited) £000's	As at 30 June 2007 (unaudited) £000's	As at 31 December 2007 (audited) £000's
Current liabilities			
Financial liabilities	3,500	1,221	970
Trade and other payables	4,611	1,630	1,720
Bank overdraft	532	-	220
Total current liabilities	8,643	2,851	2,910
TOTAL EQUITY AND LIABILITIES	21,620	10,757	11,515

Consolidated Cash Flow Statement
for the period ending 30 June 2008

	Six months ended 30 June 2008 (unaudited) £000's	Six months ended 30 June 2007 (unaudited) £000's	Year ended 31 December 2007 (audited) £000's
Cash flows from operating activities			
Total operating profit /(loss)	693	(505)	(1,505)
Adjustments for:			
Depreciation and amortisation	219	52	151
Share based payments and similar charges	91	(250)	123
Exceptional items	(671)	(224)	(169)
Decrease/(increase) in inventories	79	-	(128)
Decrease/(increase) in trade and other receivables	158	(113)	(209)
Increase /(decrease) in trade and other payables	2,082	129	(776)
Cash generated from/(used in) operating activities	2,651	(911)	(2,513)
Interest paid	(12)	(14)	(241)
Income taxes received	100	(16)	15
Net cash from/(used in) operating activities	2,739	(941)	(2,739)
Cash flows from investing activities			
Acquisition of subsidiary undertakings	(6,405)	(182)	(229)
Net cash balances acquired with subsidiary undertakings	85	86	66
Purchase of property, plant and equipment	(177)	(283)	(327)
Proceeds from sale of property, plant and equipment	-	4	-
Purchase of intangible assets	(462)	-	(191)
Proceeds from disposal of subsidiary undertaking	-	(40)	-
Interest received	25	85	133
Payment of deferred consideration on acquisitions from prior years		(556)	
Net cash used in investing activities	(6,934)	(886)	(548)

	Six months ended 30 June 2008 (unaudited) £000's	Six months ended 30 June 2007 (unaudited) £000's	Year ended 31 December 2007 (audited) £000's
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	6,235	-	175
Net cash used in financing activities	6,235	-	175
Cashflows from discontinued operations	-	(232)	(12)
Net increase/(decrease) in cash and cash equivalents	2,040	(2,059)	(3,124)
Cash and cash equivalents at beginning of period	1,093	4,217	4,217
Net cash at end of period	3,133	2,158	1,093

Notes to the interim reports

1. Basis for preparation

This interim report, which has been neither audited nor reviewed by the company's auditors, was approved by the board of directors on 27 September 2008 and has been prepared under International Financial Reporting Standards (IFRS).

The interim financial statements have been prepared using the same accounting policies and methods of computation as the audited financial statements prepared to 31 December 2007.

2. Acquisitions

On 10 March 2008, the Group acquired the 7,600 mobile quiz subscribers from Rubberduck Ltd. The consideration of £70,000 was satisfied by the issue of 428,135 shares at a value of 16.35p per share.

On 16 April 2008, the Group acquired the trade and assets of the Bingos.com business from Global Gaming Entertainment N.V. and Euro Gaming Ltd (the 'Vendors'), as well as the entire share capital of Quantum Factory S.L. for an aggregate of £6.25 million. The consideration was satisfied initially by £6 million in cash to the Vendors and £250,000 in cash to Story Holdings Corp., of which Dominic Mansour is a director. This £250,000 cash payment will be invested in new ordinary shares in NetPlay at 16.5p per share. These shares are subject to a hard lock-in for 12 months. The total consideration paid to the vendors was reduced by £500,000, resulting in an aggregate cost of £5.75 million after an agreement was reached with the vendors on 4 September 2008.

On 5 May 2008, the Group acquired Sky Channel 848 (now Sky Channel 867), from Hollywood TV Ltd for a total of £475,000. The consideration was satisfied by way of 2,375,000 new NetPlay TV plc ordinary shares at the price of 20p.

On 27 May 2008, the Group acquired the entire gaming database of the interactive gaming company Pitch Entertainment Ltd. The acquisition was made by NetPlay TV Services Ltd, a wholly owned subsidiary of NetPlay TV plc. Total consideration for the database was £125,000 and satisfied in cash.

3. EBITDA

	Six months ending 30 June 2008 £000's	Six months ending 30 June 2007 £000's	Year ending 31 December 2007 £000's
Continuing operations			
Operating profit (prior to deduction of exceptional items)	693	(505)	(1,505)
Add back:			
Depreciation	136	52	105
Amortisation	83	-	45
Share based payment	91	(250)	119
EBITDA from continuing operations	1,003	(703)	(1,236)
Discontinued operations			
Operating profit (prior to deduction of exceptional items)	-	(167)	(167)
Add back:			
Depreciation	-	5	6
Total EBITDA for the period	1,003	(865)	(1,397)

4. Dividends

The directors do not recommend the payment of an interim dividend. The directors consider it to be prudent to preserve the cash resources of the company to invest in existing products and the development of new products.

5. Segmental information

During the period, the Group operated two principal classes of business; interactive gaming & competitions, and mobile telephony services.

For the six months ending 30 June 2008:

	Interactive gaming & competitions £000's	Mobile telephony £000's	Central costs £000's	Total £000's
Revenue				
- continuing operations	9,411	718	-	10,129
	9,411	718	-	10,129
Profit/(loss) for the period				
- continuing operations	433	235	(802)	(134)
	433	235	(802)	(134)

For the six months ending 30 June 2007:

	Interactive gaming & competitions £000's	Mobile telephony £000's	Central costs £000's	Total £000's
Revenue				
- continuing operations	1,482	477	-	1,959
- discontinued operations	-	663	-	663
	1,482	1,140	-	2,622
Loss for the period				
- continuing operations	(391)	(78)	(284)	(753)
- discontinued operations	-	(897)	-	(897)
	(391)	(975)	(284)	(1,650)

For the year ending 31 December 2007:

	Interactive gaming & competitions £000's	Mobile telephony £000's	Central costs £000's	Total £000's
Revenue				
- continuing operations	7,270	2,141	-	9,411
- discontinued operations	-	663	-	663
	7,270	2,804	-	10,074
Profit for the period				
- continuing operations	(723)	(2,171)	(1,163)	(4,057)
- discontinued operations	-	(935)	-	(935)
	(723)	(3,106)	(1,163)	(4,992)

6. Earnings per share

	Six months ended 30 June 2008 (unaudited) £ 000's	Six months ended 30 June 2007 (unaudited) £ 000's	Year ended 31 December 2007 (audited) £ 000's
Profit/ (loss) attributable to shareholders			
Continuing operations	(134)	(753)	(4,057)
Discontinued operations	-	(897)	(935)
	(134)	(1,650)	(4,992)
	Number of shares	Number of shares	Number of shares
Weighted average numbers of shares in issue	94,177,596	68,622,534	68,869,873
Dilution effects of share options	25,629	23,616	391,905
Dilution effect of employee share schemes	99,933	148,555	131,025
Diluted weighted average number of shares in issue	94,303,158	68,794,705	69,392,803
	Pence per share	Pence per share	Pence per share
Basic earnings per share			
Continuing operations	(0.14)	(1.04)	(5.89)
Discontinued operations	-	(1.36)	(1.36)
	(0.14)	(2.40)	(7.25)
	Pence per share	Pence per share	Pence per share
Diluted earnings per share			
Continuing operations	(0.14)	(1.10)	(5.84)
Discontinued operations	-	(1.30)	(1.35)
	(0.14)	(2.40)	(7.19)

7. Share Capital

	Six months ended 30 June 2008	Six months ended 30 June 2007	Year ended 31 December 2007
	(unaudited) £000's	(unaudited) £000's	(audited) £000's
Balance at beginning of Period	3,802	3,397	3,397
Issue of Shares	2,216	60	405
Balance at End of Period	6,018	3,457	3,802

	Six months ended 30 June 2008
	Shares
Balance of Shares in issue at the beginning of the period	76,039,958
Share consideration in relation to the acquisition of Rubberduck subscribers	428,135
Fundraising in April	40,000,000
Share consideration in relation to the acquisition of the Sky Channel 848	2,375,000
Shares subscribed by Story Holdings in relation to Bingos.com acquisition	1,515,151
	120,358,244

8. Interim statement

A copy of this statement will be on the Company's website at <http://www.netplaytv.plc.uk>.