

25 October 2007

PartyGaming Plc

("PartyGaming" or the "Company" and, together with its subsidiaries, the "Group")

Third Quarter Key Performance Indicators and Trading update

Highlights– Continuing operations

- Group revenue up 24% to \$115.7m (2006: \$93.3m) and up 5% versus previous quarter
- Poker revenue down 3% to \$74.8m (2006: \$76.9m) and up 3% versus previous quarter
- Casino revenue up 158% to \$36.7m (2006: \$14.2m), and up 3% versus previous quarter
- Sports Betting revenue up 91% to \$4.2m (2006: \$2.2m) and up 100% versus previous quarter
- Board remains confident about prospects for the full year and beyond

Consolidated Key Performance Indicators – Continuing operations

Three months to 30 September	2007	% change versus Q2 2007	% change versus Prior year	2006
Active player days (m)	6.6	(8%)	43%	4.6
Daily average players (000)	72.1	(9%)	44%	50.0
Yield per active player day (\$)	17.4	13%	(14%)	20.3
Yield per unique active player in the quarter (\$)	226.5	7%	(9%)	249.4
New real money sign-ups (000)	129.7	(18%)	(14%)	150.3
Unique active players during the period (000)	510.9	(2%)	37%	374.0
Average daily revenue (excluding skins) (\$000)	1,257.5	4%	24%	1,013.8

The Group delivered a 24% increase in third quarter revenue over the same period in 2006 reaching \$115.7m, driven primarily by continued strong growth in casino. This growth was achieved despite a 14% reduction in yield per active player day versus the prior year reflecting the loss of a number of higher value players following the passing of the US Unlawful Internet Gambling Enforcement Act ("UIGEA") in October 2006.

The volume of new player sign-ups in the seasonally quiet period was down 14% versus the prior year and 18% versus the second quarter. However, this was after a particularly strong first half in 2007 and, for the year to date, the number of new player sign-ups was still 44% ahead of the same nine-month period in 2006. The number of unique active players and daily average players both grew strongly year-on-year but were down versus the previous quarter which had been boosted by very strong growth in new player sign-ups in the first half but also reflected a reduction in the frequency of play, particularly during the peak European holiday season in July and August. A recovery in player yields meant that overall, net revenue per day in the third quarter of 2007 averaged \$1,257,500, a 4% increase over the previous quarter and 24% above the third quarter of 2006.

The mix of sign-ups coming from CPA¹ or hybrid² affiliates has been returned to previous levels and as a result, the Board reaffirms its previous guidance for distribution expenses of between 43% and 45% of revenue for the full year, with an expectation of being at the lower end of this range.

In poker, total revenue was \$74.8m with average net daily revenue increasing by 2% versus the previous quarter to \$813,200. This performance reflects a full period benefit of the operational changes introduced during the second quarter of 2007 that helped to deliver a 10% increase in yield per active player day versus the previous quarter to \$13.2. As noted previously, the year-on-year drop in yield per active player day reflects the migration since October 2006 of a number of high value players to competitor sites that continue to accept players from the US. In terms of overall player numbers, since the end of August 2007, PartyPoker's market share has remained relatively steady at around 12%³. Historical poker KPI data has been restated to include the emerging games segment which is now managed as part of poker. For full details of all quarterly KPI data by segment please go to <http://www.partygaming.com/investor/documentation.html>.

Casino also performed well in the quarter with total casino revenue of \$36.7m. Daily net casino revenue increased by 2% versus the second quarter of 2007 and by 159% versus the third quarter of 2006. The number of unique active players increased by 70% year on year but fell 5% versus the previous quarter, reflecting the seasonal trends seen in poker. However, further improvement in the mix of games away from blackjack and towards other higher yielding games, has continued to push casino yields higher, reaching \$36.4 per active player day, 7% above the previous quarter and 22% above the third quarter of 2006.

Total sports betting revenue doubled over the previous quarter to \$4.2m. The yield per active player day increased from \$2.6 to \$6.6 reflecting a return to a more normalised gross win margin of 5.6% after a disappointing run of sporting results in the second quarter. Betting volumes also saw an increase from \$75.6m in the previous quarter to \$86.3m with an increase in the number of sporting events. It is expected that betting volumes will increase further during the fourth quarter with the addition of new products to our sports betting offering.

Trading Update

In the three weeks ended 21 October 2007, average gross daily revenue had increased by 9% from that achieved in the third quarter to \$1,593,000 (Q3 07: \$1,463,000) reflecting the normal seasonal pick-up seen in previous years. In poker (now adjusted to include emerging games), new player sign-ups averaged over 1,300 per day, and there were on average 65,000 active players per day generating average gross daily poker revenue of \$938,000 (Q3 07: \$897,000). In casino, average gross daily revenue had increased to \$569,000 (Q3 07: \$514,000) while in sports betting, gross win per day had increased to \$85,000 per day (Q3 07 \$52,000).

Commenting on the third quarter KPIs, Mitch Garber, Chief Executive Officer, said:

"We are continuing to execute our stated business strategy and this is reflected by our solid financial performance in the year to-date. The formation of business alliances with companies such as ITV are important steps towards achieving our full potential and we remain confident about the Group's prospects for the full year and beyond."

¹ Cost per acquisition ("CPA") affiliate sign-ups are those where the company pays a fixed fee to the affiliate for each real money sign-up whereas the associated revenue benefit is received over the lifetime of the player. This contrasts to revenue share affiliate sign-ups where a % of the revenue generated by the player (minus certain deductions) is paid to the affiliate over the lifetime of the player.

² Hybrid affiliate sign-ups are those where the Company pays a fixed fee and a revenue share to the affiliate for each real money sign-up.

³ Pokersitescout.com – note that data from this source excludes tournaments.

Contacts:

PartyGaming Plc

Peter Reynolds, Director of Investor Relations
John Shepherd, Director of Corporate Communications

+44 (0)20 7337 0100

Financial Dynamics

Edward Bridges / Juliet Clarke

+44 (0)20 7831 3113

Conference call

Thursday 25 October 2007

For analysts and investors there will be an opportunity to put questions to Mitch Garber and Martin Weigold, Group Finance Director, by way of a conference call at 09.30 BST. The details of the call are as follows:

Dial-In No: +44 (0) 1452 562 815
Password: PartyGaming
Replay no: +44 (0)1452 550 000 (available for 1 week)
Replay passcode: 20251415#

Appendix

Poker* – Key Performance Indicators – Continuing operations

Three months to 30 September	2007	% change versus Q2 2007	% change versus prior year	2006
Active player days (m)	5.6	(7%)	44%	3.9
Daily average players (000)	61.4	(8%)	43%	42.9
Yield per active player day (\$)	13.2	10%	(32%)	19.5
Yield per unique active player in the quarter (\$)	174.1	4%	(29%)	245.3
New real money sign-ups (000)	110.4	(18%)	(15%)	129.9
Unique active players during the period (000)	429.7	(1%)	37%	313.6
Average daily revenue (excluding skins) (\$000)	813.2	2%	(3%)	836.1

*includes Emerging Games segment

Casino – Key Performance Indicators – Continuing operations

Three months to 30 September	2007	% change versus Q2 2007	% change versus prior year	2006
Active player days (000)	1,007.1	(4%)	113%	473.5
Daily average players (000)	10.9	(5%)	114%	5.1
Yield per active player day (\$)	36.4	7%	22%	29.9
Yield per unique active player in the quarter (\$)	192.9	9%	52%	126.8
New real money sign-ups (000)	11.3	(2%)	31%	8.6
Unique active players during the period (000)	190.2	(5%)	70%	111.7
Average daily revenue (excluding skins) (\$000)	398.9	2%	159%	154.0

Sports Betting – Key Performance Indicators – Continuing operations

Three months to 30 September	2007	% change versus Q2 2007	% change versus prior year	2006
Active player days (000)	632.5	(21%)	20%	527.4
Daily average players (000)	6.9	(22%)	(22%)	8.9
Yield per active player day (\$)	6.6	154%	61%	4.1
Yield per unique active player in the quarter (\$)	77.8	169%	48%	52.6
New real money sign-ups (000)	8.0	(40%)	(32%)	11.7
Unique active players during the period (000)	53.7	(27%)	29%	41.5
Average daily revenue (\$000)	45.4	94%	23%	37.0