

31 JANUARY 2007

NEW MEDIA LOTTERY SERVICES PLC
(“NMLS” or “the Company”)
(Ticker:NMLS)

**Interim Unaudited Results for the six months ended 31 October 2006 and
Trading Update**

The Board of New Media Lottery Services PLC, the supplier and white label operator of lottery systems and games for government sanctioned lottery programs and charities, today announces its interim results for the six months ended 31 October 2006. The Company commenced trading on 14 November 2005 and was admitted to AIM in March 2006.

KEY POINTS

- Strong current trading - anticipated to be profitable at the EBITDA level in Q4 of calendar year 2007;
- Revenue up 335% to €174k (year to 30 April 2006: €40k);
- Client lottery website sales up 148% at €4.166m (year to 30 April 2006: €1.681m); and
- Corresponding client player deposits up 163% at €302,000 (30 April 2006: €115,000).

BUSINESS HIGHLIGHTS

- 10 year state lottery contract announced by NMLS in Arugua, Venezuela, to offer a variety of lottery products and sports betting throughout the country;
- Three year contract signed to market and utilise the Las Vegas Gaming Inc. products within NMLS lottery programmes;
- Rehab Lottery Group represented the sole revenue generating programme throughout the period;
- NMLS continues to pursue additional lottery opportunities and expects to announce additional contracts throughout 2007; and
- Server-based back office systems and games developed, tested and implemented with an accelerated roll out expected throughout 2007

Lord Mancroft, Non-Executive Chairman at NMLS, commented:

“The Company has made significant progress over the period and performance is in line with our expectations. Current trading is strong and I anticipate NMLS to be profitable at the EBITDA level in Q4 of calendar year 2007. I would like to

reiterate that NMLS does not market to players in jurisdictions with regulatory uncertainties such as North America.

“The last year has been about proving our systems and models. NMLS stands ready to accelerate its revenue generation based on our recent successes.”

Commenting on the results, John Carson, Chief Executive Officer at NMLS, said:

“The second six month period after commencing our lottery sales programmes was a period of dramatic sales growth and increased conversion of registrations into depositing players. Our depositing player retention is high and consistently over 80-90% of our deposits come from returning players.

“Rehab Lottery site sales continue to show strong growth patterns. Management has proven its models and we intend to roll out our programmes on an accelerated basis.”

---ENDS---

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CHAIRMAN'S STATEMENT

I am pleased to present New Media Lottery Services' interim results for the period ended 31 October 2006 following our admission to AIM in March 2006. The Company has made significant progress over the period and performance is in line with our expectations.

NMLS provides and operates white label lottery gaming platforms to a number of International Lottery programmes including charities, sports associations and state lottery organisations. Unlike many internet gaming companies, NMLS only works with legitimate Government sanctioned Lottery Programmes. It does not market to players in jurisdictions with regulatory uncertainties such as North America.

Financials

Client site sales for the current period were €4.166m, compared to €1.681m for the year to 30 April 2006. This represents a 148% increase in client site sales. The resulting net revenue to the company for this period was €174k compared to €40k for the year to 30 April 2006, an increase of 335% in company revenue.

Administrative expenses are €1.670m, compared to €1.089m for the year to 30 April 2006. The increase in administrative expenses is substantially due to a change in the allocation of such expenses. Prior to March 2006, significant administrative expenses were funded by the Company's U.S. parent company (New Media Lottery Services, Inc.). From March 2006, the Company has funded all of its administrative expenses.

The loss for the six months to October 31st 2006 is €1.562m (loss of €1.130m in the year to April 2006).

Review and Current Prospects

The Company has made a series of developments over the period. Our software development group has now developed, tested and implemented NMLS' server-based back office systems and games. An accelerated roll-out is expected to take place throughout 2007.

In October 2006 the Company announced the agreement of a 10 year state lottery contract with Aragua Lottery, the Venezuelan state lottery programme. NMLS has agreed to offer a variety of lottery and sports betting products throughout Venezuela. In addition to mobile and Internet distribution, the contract allows for Fixed Odds Betting Terminals and other terminal based distribution. Sales are expected to commence in or before Q2 of calendar year 2007. NMLS had previously identified Latin America as a region for growth and this latest geographical addition to the NMLS reach will add to the Company's long term

revenue streams. As well as Ireland and Venezuela, NMLS holds additional contracts in Brazil, Belize and Guatemala.

In November 2006 the Company secured a three year contract to market and utilise Las Vegas Gaming Inc. ("LVGI") products within NMLS lottery programmes. LVGI, a Nevada based operator, manufacturer and distributor of products for the gaming industry, offers a variety of applications that will prove very attractive to NMLS' lottery partners. The applications are Nevada Gaming Board compliant.

In addition, the Company has made a number of strategic hires over the period to support the growth of the business. Tony Caporicci was appointed to lead the Terminal Based Products Division and develop the technology for products such as Interactive Lottery Terminals, Self Service Machines and related devices for NMLS. Irene Gahan was appointed to manage the Irish Programme as the Company continues to develop its operations in the country.

NMLS continues to leverage its investment in its software and expects to announce additional contracts throughout 2007. I would like to take this opportunity to thank our staff for their support over this busy period and look forward to updating investors as to our further progress at the time of our final results.

Lord B. Mancroft
Chairman

New Media Lottery Services Public Limited Company
Consolidated Income Statement
for the six months to 31st October 2006

	Note	Continuing Operations		
		Interim 6 Months Unaudited Oct-06 €	Final YE Audited Apr-06 €	Final YE Audited Apr-05 €
Revenue		173,867	40,174	0
Administrative Expenses	7	<u>-1,669,965</u>	<u>-1,088,572</u>	<u>-260,002</u>
Operating Loss		-1,496,098	-1,048,398	-260,002
Finance Costs		<u>-65,734</u>	<u>-81,671</u>	<u>-757</u>
Loss on Ordinary Activities before Taxation		-1,561,832	-1,130,069	-260,759
Tax on Loss on Ordinary Activities		<u>0</u>	<u>0</u>	<u>0</u>
Loss for the period attributable to Equity Shareholders		<u><u>-1,561,832</u></u>	<u><u>-1,130,069</u></u>	<u><u>-260,759</u></u>
Basic Loss per Ordinary Share		<u><u>-€0.06</u></u>	<u><u>-€0.05</u></u>	<u><u>-€5.81</u></u>
Diluted Loss per Ordinary Share		<u><u>-€0.06</u></u>	<u><u>-€0.05</u></u>	<u><u>-€5.81</u></u>

New Media Lottery Services Public Limited Company
Consolidated Balance Sheet
as at 31st October 2006

		Interim 6 Months Unaudited Oct-06 €	Final YE Audited Apr-06 €	Final YE Audited Apr-05 €
	Note			
Non-Current Assets				
Property, Plant and Equipment		150,239	33,365	24,524
Intangible Assets		71,392	78,767	-
		<u>221,631</u>	<u>112,132</u>	<u>24,524</u>
Current Assets				
Trade and Other Receivables		373,096	244,716	219
Cash and Other Equivalents		207,307	1,763,358	2,190
		<u>580,402</u>	<u>2,008,074</u>	<u>2,409</u>
Total Assets		<u><u>802,033</u></u>	<u><u>2,120,205</u></u>	<u><u>26,933</u></u>
Equity and Liabilities				
Equity attributable to equity holders of the Parent				
Issued Share Capital	3	240,621	238,130	449
Share Premium	4	3,771,935	3,619,414	1,063,615
Merger Reserve	5	539,377	539,377	-
Accumulated Loss	6	- 5,659,717	- 4,097,887	- 2,047,294
Total Equity		<u>- 1,107,784</u>	<u>299,034</u>	<u>- 983,230</u>
Current Liabilities				
Trade and Other Payables		600,616	511,971	142,133
Non-Current Liabilities				
Other Liabilities		1,309,201	1,309,200	868,029
Total Liabilities		<u>1,909,817</u>	<u>1,821,171</u>	<u>1,010,163</u>
Total Equity and Liabilities		<u><u>802,033</u></u>	<u><u>2,120,205</u></u>	<u><u>26,933</u></u>

New Media Lottery Services Public Limited Company
Consolidated Cash Flow Statement
for the six months ended 31st October 2006

	Interim 6 Months Unaudited Oct-06 €	Final YE Audited Apr-06 €	Final YE Audited Apr-05 €
Cash Outflow from Operating Activities			
Operating Loss	-1,496,098	-1,048,398	-260,005
Depreciation	10,546	11,139	15,287
Intangible Assets Amortised	7,375	997	0
Increase in debtors	-128,377	-244,498	3,721
Increase in creditors	88,645	-78,945	111,699
Net Cash Outflow from Operating Activities	<u>-1,517,909</u>	<u>-1,359,705</u>	<u>-129,298</u>
Cashflow from Investing Activities			
Purchase of Property, Plant and Equipment	-127,420	-19,979	-170
Purchase of Intangible Assets	0	-79,764	0
Net Cashflow used in Investing Activities	<u>-127,420</u>	<u>-99,743</u>	<u>-170</u>
Cashflows from Financing Activities			
Proceeds from the Issue of Shares	155,012	2,658,191	0
Transaction Costs on the Issue of Shares	0	-665,105	0
Issue of Debentures	0	1,309,201	0
Finance Costs	-65,734	-81,671	-756
Net Cashflows from Financing Activities	<u>89,278</u>	<u>3,220,616</u>	<u>-756</u>
Net Increase / (decrease) in cash and cash equivalents at 31st October	-1,556,051	1,761,167	-130,224
Cash and cash equivalents at beginning of period	1,763,357	2,190	132,414
Cash and cash equivalents at end of period	<u>207,306</u>	<u>1,763,357</u>	<u>2,190</u>

New Media Lottery Services Public Limited Company
Notes to the Consolidated Balance Sheet
as at 31st October 2006

1. Publication of Non-Statutory Accounts

The financial information set out in this interim statement, does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information for the full preceding period is based on the statutory accounts for the year ended 30th April 2006. Those accounts, on which the auditors issued an unqualified opinion, have been delivered to the registrar of Companies. There are no comparatives for a preceding interim period as this is the first interim period since the Groups listing.

2. Accounting policies

The interim financial information has been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the year ended 30th April 2006.

3. Share Capital

Authorised Equity	GBP£	GBP£	GBP£
150,000,000 Ordinary Shares of GBP0.66667 pence each			
	1,000,000	1,000,000	1,000,000
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Allotted, called up and fully paid equity	€	€	€
24,700,000 Ordinary Shares of GBP0.66667 pence each			
(Apr 2006: 24,450,000, 2005: 20,205,150)			
	240,621	238,130	449
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Share Capital Movement			
Opening Balance May 1st 2006	238,130		
- 20th October 2006			
Issue of 200,000 Ordinary Shares of GBP 0.66667 pence each	1,993		
- 20th October 2006			
Issue of 50,000 Ordinary Shares of GBP 0.66667 pence each	498		
Closing Balance October 31st 2006	240,621		
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On the 20th October 2006, 200,000 Ordinary Shares of GBP£ 0.66667 pence each were issued to Las Vegas Gaming Inc, (LVGI) a Nevada Corporation for GBP£ 0.66667 pence each in consideration for the International rights to the 'Optima' System being transferred to New Media Lottery Services Plc. The value of the shares issued is €124,010.16, creating a share premium on this issue of € 122,017.

On the 20th October 2006, 50,000 Ordinary Shares of GBP£ 0.66667 pence each were issued to Tony Caporicci for GBP£ 0.66667 pence each in consideration for services rendered in arranging the International rights to the 'Optima' System being transferred to New Media Lottery Services Plc. The value of the shares issued are €31,002.54, creating a share premium on this issue of € 30,504. The shares have been recognised as have the associated costs incurred in lieu of the shares.

4. Share Premium

Opening Balance May 1st 2006	3,619,414	
- 20th October 2006		
Issue of 200,000 Ordinary Shares of GBP 0.66667 pence each	122,017	(note 3)
- 20th October 2006		
Issue of 50,000 Ordinary Shares of GBP 0.66667 pence each	30,504	(note 3)
Closing Balance October 31st 2006	<u>3,771,935</u>	

5. Merger Reserve

Opening Balance May 1st 2006	539,377
<i>No Movement</i>	
Closing Balance October 31st 2006	<u>539,377</u>

6. Accumulated Reserves

Opening Balance May 1st 2006	-4,097,887
Interim Results - 6 months October 2006	-1,561,832
Closing Balance October 31st 2006	<u>- 5,659,719</u>

7. Administrative Expenses

	Interim 6 Months	Final YE	Final YE
	Unaudited	Audited	Audited
	Oct-06	Apr-06	Apr-05
	€	€	€
Auditors Remuneration	68,500	55,000	0
Employee wages, salary and benefits	479,753	246,319	0
Directors Fees	44,698	59,500	0
Programming Costs	29,617	30,137	91,081
Other Administration Expenses	376,708	184,459	25,291
Foreign Exchange Gains and Losses	29,491	110,321	-37,179
Depreciation and Amortisation	17,921	12,136	15,287
Website Hosting	46,193	63,637	18,114
Advertising & Marketing	186,519	96,552	3,822
Consultancy Fees	131,553	121,746	104,701
Legal and Professional	151,739	105,607	38,886
Web Development	71,988	3,159	0
Market Expenses	35,285	0	0
	<u>1,669,965</u>	<u>1,088,573</u>	<u>260,002</u>

The Company's administrative expenses appear to have increased substantially during this six month period compared to the twelve months ended 30 April 2006 (the comparative period). The administrative expense increase is substantially due to a change in the allocation of such expenses. Prior to the 17th March 2006, significant administrative expenses were paid by the Company's U.S. parent company, named New Media Lottery Services, Inc., a Delaware corporation. After the 17 March 2006, the Company began funding all of its administrative expenses.