

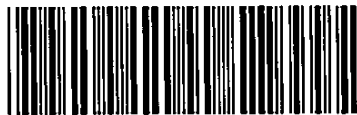
ADS DOT COM LIMITED

Director's Report And Financial Statements

For the year ended 31 December 2008

Company Registration No. 3974844 (England And Wales)

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ADS DOT COM LIMITED

COMPANY INFORMATION

Directors	H.R.H. Stikeman A. Demetriades (Resigned 30 September 2009)
Secretary	A. Demetriades (Resigned 30 September 2009)
Company number	3974844
Registered office	Devonshire House 60 Goswell Road London EC1M 7AD
Auditors	Grant Thornton Chartered Accountants 24-26 City Quay Dublin 2 Ireland
Bankers	National Westminster Bank PLC PO Box 204 No.1 Hatton Garden London EC1P 1DU

ADS DOT COM LIMITED

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ADS DOT COM LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The director has pleasure in presenting his report and financial statements for the year ended 31 December 2008 which are stated in US dollars.

Principal activities and review of the business

The principal activity of the company throughout the year was that of marketing of internet-based offerings.

The results for the year and the financial position at the year end were considered satisfactory by the director.

Results and dividends

The results for the year are set out on page 8.

The director does not recommend payment of a dividend.

Principal risk and uncertainties

The most significant risks faced by the Company and the steps taken to manage these risks, are described in note 16 of the financial statements.

Key Performance Indicators

The company considers the following measures to be important indicators of the underlying performance of the business:

Operating margin

Operating margin for the company was 2% compared with 3% in 2007.

Gross margin

Gross margin for the company was 29% compared with 31% in 2007.

Directors

The following directors have held office since 1 January 2008:

J. Salmon	(Resigned 16 September 2008)
H.R.H. Stikeman	
A. A. Demetriades	(Resigned 30 September 2009)

Director interest

The director interest in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 2008	1 January 2008
H.R.H. Stikeman	-	-

The ultimate parent company of Ads Dot Com Limited is CryptoLogic Limited, a company registered in Guernsey

The director interest in the shares of the ultimate Cryptologic Limited. were as stated below:

	Ordinary shares of \$1 each	
	31 December 2008	1 January 2008
H.R.H. Stikeman	5,000	5,000

ADS DOT COM LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Auditors

On 16 June 2009, Kingston Smith resigned as auditors of the Company. Accordingly, the Board of Directors appointed Grant Thornton to fill the vacancy on the same date. In accordance with section 385 of the Companies Act 1985, the auditors will continue in office.

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

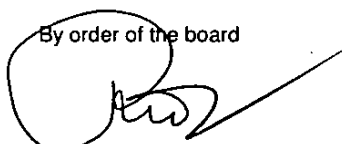
The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



H.R.H. Stikeman

Director

XXX 21/12/09

ADS DOT COM LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ADS DOT COM LIMITED

We have audited the financial statements of Ads Dot Com Limited for the year ended 31 December 2008 set out on pages 8 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ADS DOT COM LIMITED

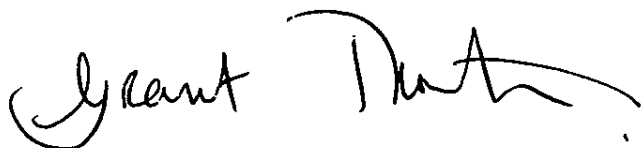
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF ADS DOT COM LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the financial statements.



Grant Thornton

22 December 2009

Chartered Accountants
Registered Auditors

24-26 City Quay
Dublin 2

ADS DOT COM LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 US\$	2007 US\$
Turnover	2	16,750,182	17,595,631
Cost of sales		(11,812,538)	(12,141,493)
Gross profit		4,937,644	5,454,138
Administrative expenses		(4,615,479)	(4,989,816)
Operating profit	3	322,165	464,322
Other interest receivable and similar income	4	254	1,276
Profit on ordinary activities before taxation		322,419	465,598
Tax on profit on ordinary activities	5	(87,367)	(169,963)
Profit for the year	11	235,052	295,635

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.


ADS DOT COM LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008		2007	
		US\$	US\$	US\$	US\$
Fixed assets					
Tangible assets	6		285,409		386,529
Current assets					
Debtors	7	4,999,476		5,678,207	
Cash at bank and in hand		102,338		110,228	
		5,101,814		5,788,435	
Creditors: amounts falling due within one year	8	(3,654,577)		(4,677,370)	
Net current assets			1,447,237		1,111,065
Total assets less current liabilities			1,732,646		1,497,594
			<u>1,732,646</u>		<u>1,497,594</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		1,732,644		1,497,592
Shareholders' funds	12		1,732,646		1,497,594
			<u>1,732,646</u>		<u>1,497,594</u>

Approved by the Board and authorised for issue on XXX 21/12/09


H.R.H. Stikeman
Director

ADS DOT COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and are presented in US dollars.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards. The accounting policies are unchanged from last year.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Straight line over the term of the lease
Computer equipment	40% diminishing balance / 3 years straight line
Fixtures, fittings & equipment	25% diminishing balance

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

1.7 Foreign currency translation

Transactions denominated in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of the transaction. Current assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account. The exchange rate in use at the year end was £1:US\$1.4479 (2007 - £1:US\$1.9973).

ADS DOT COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

(continued)

1.8 Share-based payment arrangements

The ultimate parent company, CryptoLogic Limited, operates a share option plan for directors, officers and other key employees within the group. The group applies the fair value method to all grants of share options. The fair value of options granted is estimated at the date of grant using the Black-Scholes option pricing model incorporating assumptions regarding risk-free interest rates, dividend yield, volatility factor of the expected market price of CryptoLogic Limited's shares and the expected life of the options. The estimated fair value of the options is accounted for over the options' vesting period. Since 1st January 2005, CryptoLogic Limited, has offered long-term incentive plans (the "Plans") for its officers and directors throughout the group. The Plans provide for the granting of performance share units to retain certain individuals and reward participants for achieving various targets including but not limited to the growth in earnings per share, and share price, with vesting generally over a three-year performance period. When the performance and vesting criteria are met, the awards are settled in cash. The liability for these awards is recognised if it is determined that it is probable that the targets of the Plans will be achieved and are included within creditors on the balance sheet. Changes in this liability, which arise from fluctuations in CryptoLogic Limited's share price and estimated future diluted earnings per share, are recorded in operating costs over the vesting period

1.9 Financial assets and liabilities

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2008 US\$	2007 US\$
Operating profit is stated after charging:		
Depreciation of tangible assets	235,219	191,703
Loss on foreign exchange transactions	249,023	286,888
Operating lease rentals	354,071	294,465
Auditors' remuneration	5,639	11,000
	<u> </u>	<u> </u>

4 Investment income

	2008 US\$	2007 US\$
Bank interest	254	1,276
	<u> </u>	<u> </u>
	254	1,276
	<u> </u>	<u> </u>

ADS DOT COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

5 Taxation	2008 US\$	2007 US\$
Domestic current year tax		
U.K. corporation tax	59,060	224,596
Current tax charge	<u>59,060</u>	<u>224,596</u>
Deferred tax		
Deferred tax charge credit current year	28,307	(54,633)
	<u>87,367</u>	<u>169,963</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	322,419	465,598
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.52% (2007-30.00%)	91,954	139,679
Effects of:		
Non deductible expenses	(63,907)	64,586
Depreciation add back	67,084	57,511
Capital allowances	(36,071)	(37,180)
	<u>(32,894)</u>	<u>84,917</u>
Current tax charge	<u>59,060</u>	<u>224,596</u>

ADS DOT COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

6 Tangible fixed assets

	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	US\$	US\$	US\$	US\$
Cost				
At 1 January 2008	415,238	505,462	119,973	1,040,673
Additions	-	128,973	5,130	134,103
At 31 December 2008	415,238	634,435	125,103	1,174,776
Depreciation				
At 1 January 2008	339,705	242,964	71,475	654,144
Charge for the year	75,533	146,817	12,873	235,223
At 31 December 2008	415,238	389,781	84,348	889,367
Net book value				
At 31 December 2008	-	244,654	40,755	285,409
At 31 December 2007	75,533	262,498	48,498	386,529

7 Debtors

	2008 US\$	2007 US\$
Trade debtors	-	22,342
Amounts owed by parent and fellow subsidiary undertakings	4,018,804	4,057,770
Other debtors	293,841	437,193
Prepayments and accrued income	650,436	1,106,269
Deferred tax asset (see note 9)	26,326	54,633
Corporation tax asset	10,069	-
	4,999,476	5,678,207

8 Creditors: amounts falling due within one year

	2008 US\$	2007 US\$
Trade creditors	24,521	160,362
Amounts owed to parent and fellow subsidiary undertakings	3,175,284	2,827,267
Corporation tax	-	224,596
Other taxes and social security costs	45,182	133,196
Accruals and deferred income	409,590	1,331,949
	3,654,577	4,677,370

ADS DOT COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

9 Provisions for liabilities

The deferred tax asset (included in debtors, note 7) is made up as follows:

	2008 US\$	2007 US\$
Profit and loss account (note 5)	28,307	(54,633)
	<u>28,307</u>	<u>(54,633)</u>
	2008 US\$	2007 US\$
Accelerated capital allowances	26,326	7,486
Tax losses available	-	(62,119)
	<u>26,326</u>	<u>(54,633)</u>

10 Share capital

	2008 £	2007 £
Authorised		
5,000,000 Ordinary shares of £1 each	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
	US\$	US\$
Allotted, called up and fully paid		
1 Ordinary share of £1	2	2
	<u>2</u>	<u>2</u>

11 Statement of movements on profit and loss account

	Profit and loss account US\$
Balance at 1 January 2008	1,497,592
Profit for the year	235,052
	<u>1,732,644</u>
Balance at 31 December 2008	

ADS DOT COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

12 Reconciliation of movements in shareholders' funds	2008	2007
	US\$	US\$
Opening shareholders' funds	1,497,594	1,201,959
Profit for the financial year	235,052	295,635
	<u>1,732,646</u>	<u>1,497,594</u>
Closing shareholders' funds	<u>1,732,646</u>	<u>1,497,594</u>

13 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings	
	2008	2007
	US\$	US\$
Operating leases which expire:		
Within one year	-	224,696
Between two and five years	278,286	-
	<u>278,286</u>	<u>224,696</u>

14 Directors' emoluments	2008	2007
	US\$	US\$
Emoluments for qualifying services	322,422	497,224
Pension contribution	15,734	-
	<u>322,422</u>	<u>497,224</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>322,422</u>	<u>497,224</u>
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ADS DOT COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
	30	27
	<u> </u>	<u> </u>
Employment costs	2007 US\$	2006 US\$
Wages and salaries	2,534,866	2,507,673
Social security costs	283,944	480,154
	<u>2,818,860</u>	<u>2,987,827</u>

During the year the company reversed 2007 LTIP plan (2007: \$85,668 expensed) costs related to units awarded under its long-term incentive plan. Related prepayments of \$ nil (2007: \$118,793) and accruals of \$ nil (2007: \$718,756). The 2007 plan did not perform at 100%, with performance composed equally of compounded EPS and Operating EPS growth with a minimum of 33% payout. Therefore plan-to-date expense and accrued liability were reversed in 2008.

16 Principal risk and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

16 (a) Currency Risk

The Company operates internationally giving rise to exposure to changes in foreign exchange rates. The currency risk is derived from revenue denominated in currencies other than U.S. dollars, its functional currency, primarily British pounds and euro, and expenses associated with its multinational operations (primarily British pounds and euro) as well as the respective receivable and payable balances. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

16 (b) Competition risk

The directors of the company manage competition risk through close attention to customer service levels and sourcing competitive products.

16 (c) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The company has procedures with the object of minimising such losses such as maintaining sufficient liquid current assets and by having available an adequate amount of committed credit facilities

ADS DOT COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

17 Control

The immediate parent company of Ads Dot Com Limited is Intertainet Advertising Company Limited (Cyprus). CryptoLogic Limited, a company registered in Guernsey, is the ultimate parent company with a registered office at 1 Le Marchant Street, St Peter Port, Guernsey, GY1 4HP.

Group accounts may be obtained from CryptoLogic Limited's head office at:

3rd Floor
Marine House
Clanwilliam Place
Dublin 2
Ireland

18 Related party transactions

The company has taken advantage of the exemptions from disclosure of transactions with group companies available to subsidiary undertakings under FRS8 paragraph 3c.