

Plus500

Interim Results for the six months ended 30 June 2014
London Stock Exchange Symbol: PLUS



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Highlights

+ **Plus500** has developed and operates an online trading platform for **retail** customers to trade Contracts For Difference (CFDs) in more than 50 countries

+ **Proprietary technology platform** is user friendly, robust, scalable and easily accessible to new customers

+ Customer acquisition via **online marketing**

Plus500 in numbers:

#1

Rated on mobile app stores

>50

Countries

31

Languages

\$106.2m

Revenues
H1 2014

+138%

Growth in Revenues
H1 14/
H1 13

68%

H1 2014
EBITDA
Margin

\$72m

EBITDA
H1 14

+213%

Growth in EPS
H1 14/
H113

50%

Dividend
policy

Results Summary

- ✚ H1 2014 Active Customers* increased 35% to 67,232 (H1 2013: 49,752)
- ✚ H1 2014 New Customers** increased 33% to 32,673 (H1 2013 : 24,626)
- ✚ Ongoing strengthening in Plus500's market position with further expansion in Europe
- ✚ Significant increase in smartphone and tablet users accessing Plus500's trading platform
- ✚ Expansion into Australia continues to gather very positive momentum
- ✚ Board remains confident of continued growth in 2014 and beyond

*Active Customers: Customers who made at least one real money trade during the period.

** New Customers: Customers depositing for the first time ever during the period.



Business Overview



Financial Overview



Outlook

Products



CFD products

Platform and Devices

Trading Platform



Most Popular	Shares	Commodities	Indices	Forex	ETFs
UK 100	6018.00	Buy	6016.50	Short	-0.63%
Perseus	0.52	Buy	0.50	Short	-25.37%
GBP/USD	1.5457	Buy	1.5453	Sell	0.14%
USD/JPY	97.50	Buy	97.48	Sell	-0.24%
Bitcoin / USD	105.27	Buy	103.84	Sell	1.53%
Tesla Motors	101.65	Buy	101.45	Short	2.75%
Apple	402.46	Buy	401.36	Short	-2.67%
Kazakhmys	234.83	Buy	232.98	Short	-13.77%

2,100 CFD products

Supporting **31** languages in more than **50** countries

Retail customers only

Business model



Revenue Split

+ Dealing Spreads

Difference between the buy price and the sell price of a CFD

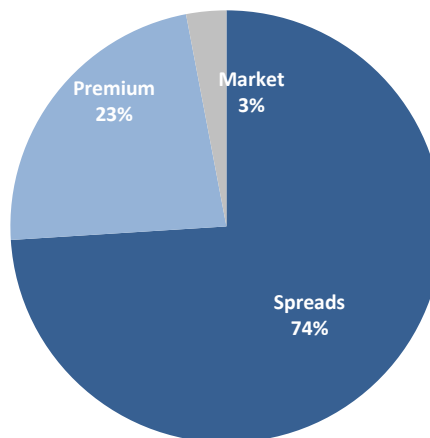
+ Overnight Premiums

Charges on open customer positions held overnight

+ Market Positions

Gains (offset by losses) on customers' trading positions, acting as principal

Revenues FY 2013



+ Trade Time

Median trade time is 1 hour

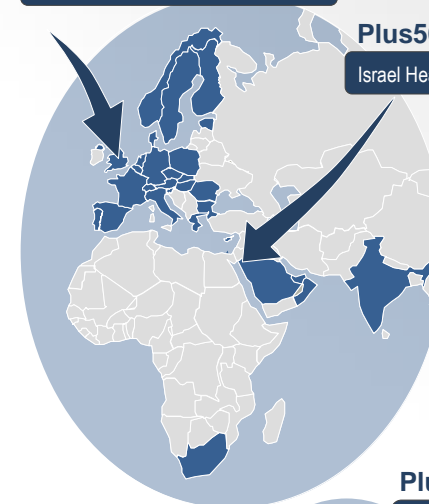
International Footprint

Plus500 UK

FCA UK-regulated subsidiary

Plus500 Ltd.

Israel Headquarters



Plus500 AU

Australian regulated subsidiary (ASIC)

+ Quality of Earnings

93% of revenues from regulated markets

Plus500 technology, our key asset



Proprietary technology, developed in-house: key differentiator and flexible advantage



Marketing infrastructure: online is key



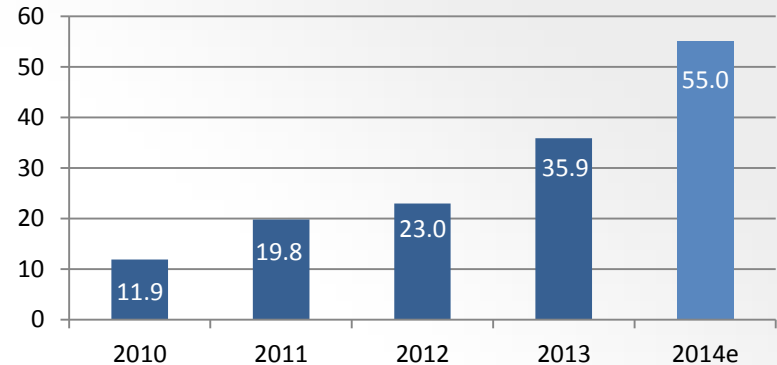
Online advertising

Using our proprietary automated marketing platform ensures that spending is efficient with a demonstrable return on investment

The “Marketing Machine”

- ✚ Focus is online
- ✚ Measurable
- ✚ Learns from experience
- ✚ Flexible spending
- ✚ Context specific advertising
- ✚ Defined ROI from spend
- ✚ Accumulated knowledge is a barrier to entry and competitive advantage

Total marketing investment in \$m



The screenshot shows a Google search for "apple shares trading". The search results page includes a search bar, navigation tabs (Web, Images, Maps, Shopping, News, More), and search tools. Below the search bar, there is a cookie consent message. The main search results are listed below, with the top result for Plus500 UK Stocks CFD circled in red. The circled result includes the text: "Plus500™ UK Stocks CFD - Low spreads, Free CFD Mobile App", the website URL "www.plus500.co.uk/Stocks+CFD", a star rating of 4.42 reviews, and a call to action "Be smart. Your capital is at risk." Below the circled result, there are other search results for "Trading CFDs with FXCM" and "Alpari (UK) - Award-Winning Online Forex Broker".

Source: Google

Marketing infrastructure: affiliates and offline



+500AFFILIATES.com

- + A large international affiliates programme
- + Over 5,000 active affiliates who advertise Plus500
- + Paid on success only
- + Easy-to-access and use affiliates' portal of marketing collateral
- + Fully automated online analysis and reward platform
- + Localised marketing tools for affiliates
- + Attractive revenue proposition for affiliates

Offline

- + Increased activity offline to build the Plus500 brand
- + IPO enhanced brand awareness
- + Continue with targeted campaigns

TRADE ONLINE
Plus500 CFD Service

INDEXES

- £20 SIGNUP BONUS
- FREE DEMO ACCOUNT
- 0 COMMISSIONS

START NOW

Plus500
www.Plus500.co.uk

Your capital is at risk

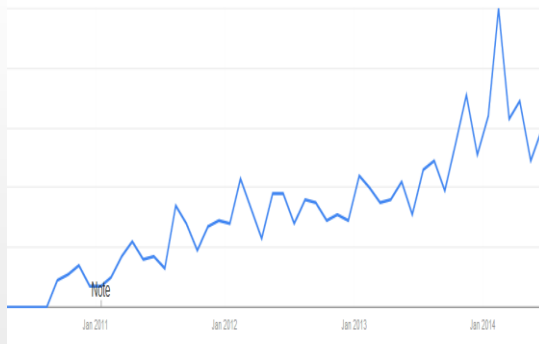
Select offline campaigns:



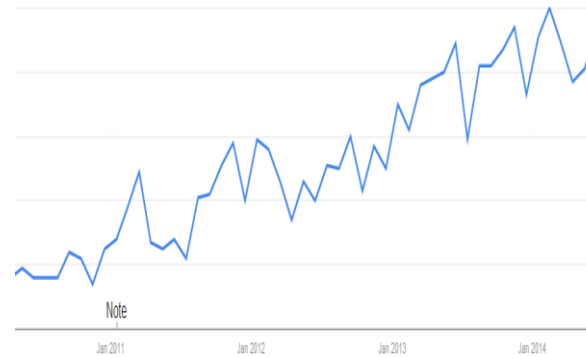
The Plus500 brand



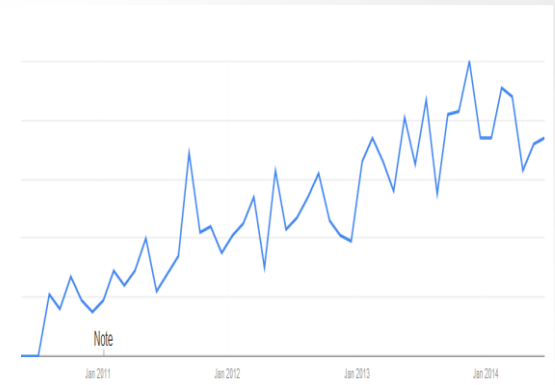
United Kingdom



Italy



Germany

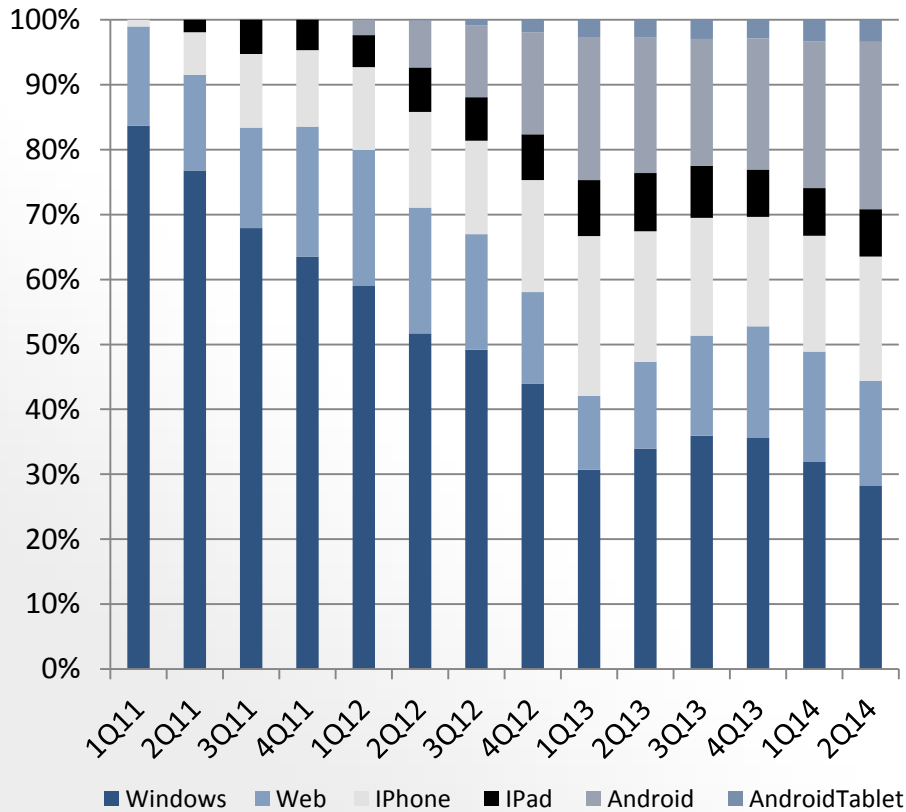


* Data from Google Trends web searches, June 2010 – June 2014

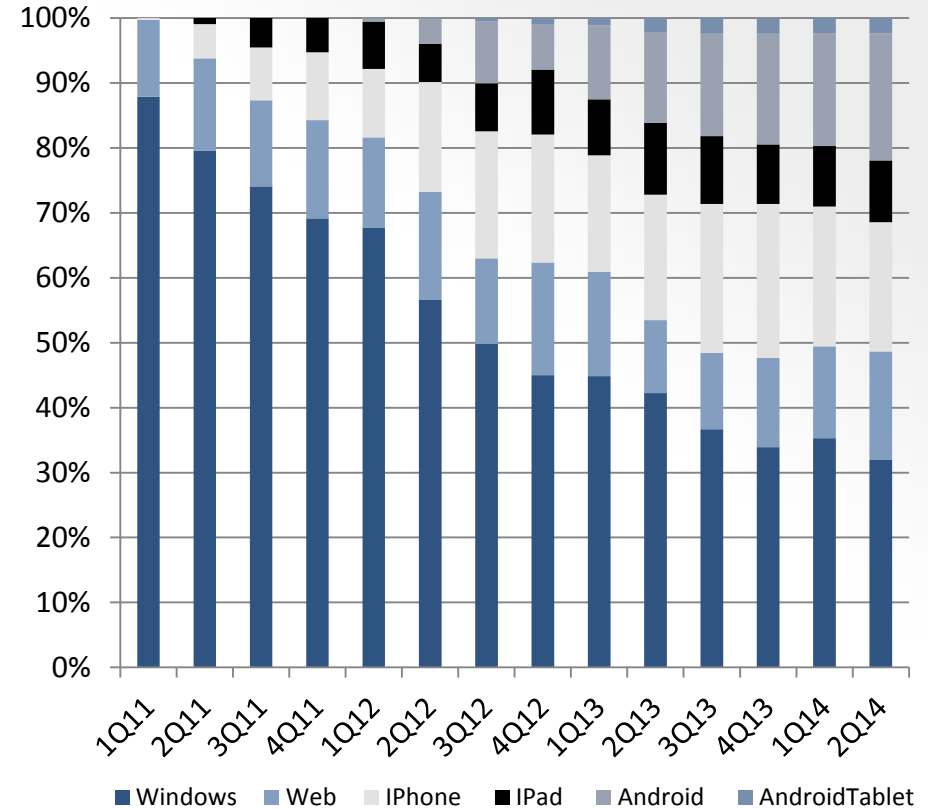
Mobile as a key growth driver



Number of Signups by Device



Revenues by Device





Financial risk management is key to the business

Market Risk

Spread of customers acts as a natural risk-mitigation:

- ✦ No dominant customers

Real-time monitoring of exposure limits by:

- ✦ Individual clients
- ✦ Individual instruments
- ✦ Total Group exposure

When limits are reached, no further trades accepted

Hedging undertaken if market movement breach the limits

Credit Risk

Automated real-time close-out policy to minimise unfunded customer losses

Surplus Capital

Plus500 continues to maintain significant reserves post-IPO

Risk Management Advisory

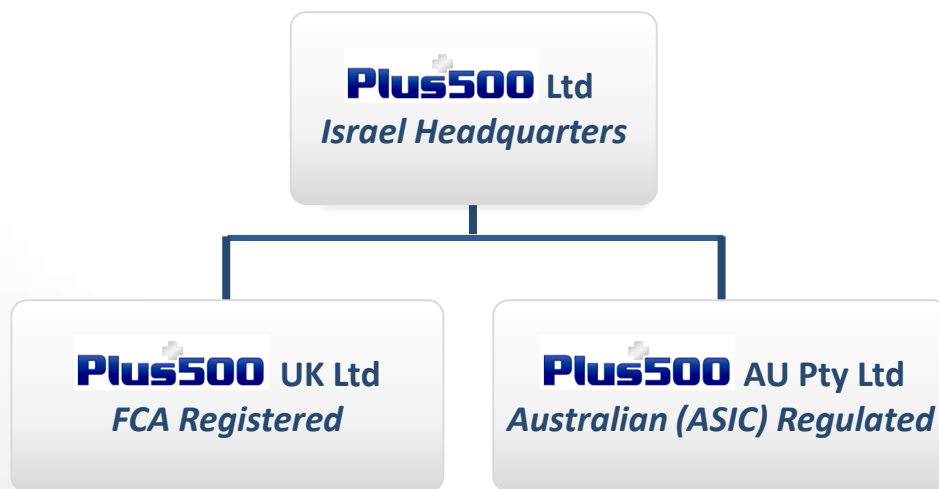


Regulators



Segregated Customer Accounts held by





- ✚ All EEA customers facilitated via “passporting mechanism”
- ✚ Periodic FCA visits, no issues outstanding

Client Take-On

- ✚ FCA / ASIC rules set out client take-on requirements
- ✚ Customers must self-certify their understanding of the risks
- ✚ All marketing carries appropriate risk warnings
- ✚ KYC / AML process fully compliant and in line with peers
 - Risk based approach in line with regulations



Business Overview



Financial Overview



Outlook

First half of 2014 - best performance yet



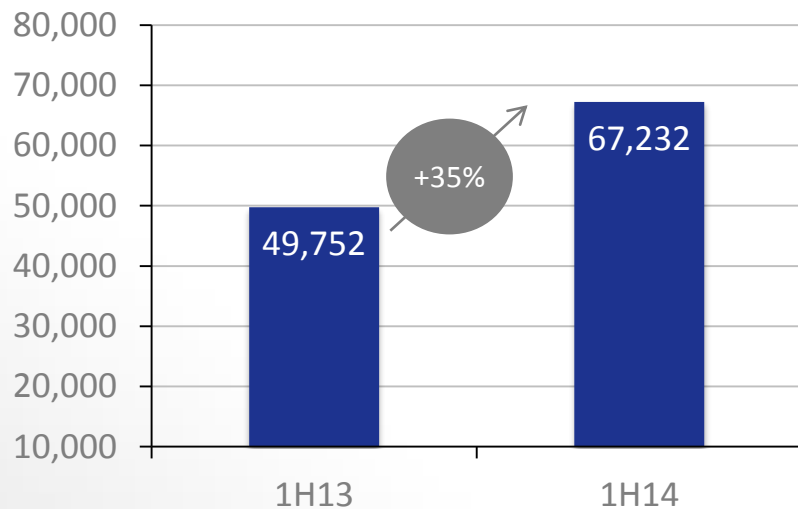
Key Financial Indicators – Income Statement (\$,000):

	Six months ended June 30		FY
	2014	2013	2013
Trading income (net)	106,242	44,673	115,088
<i>1H14/1H13 growth</i>	<i>138%</i>		
Selling and marketing expenses	30,702	21,195	44,322
Administrative and general expenses	3,583	1,617	3,563
Income from operations	71,957	21,861	67,203
<i>1H14/1H13 growth</i>	<i>229%</i>		
Financing expenses/ (income) -net	(1,179)	1,348	38
Tax expense	19,373	5,121	16,532
Profit attributable to owner of the parent	53,763	15,392	50,633
<i>1H14/1H13 growth</i>	<i>249%</i>		
Earning per share (\$)	0.47	0.15	0.47

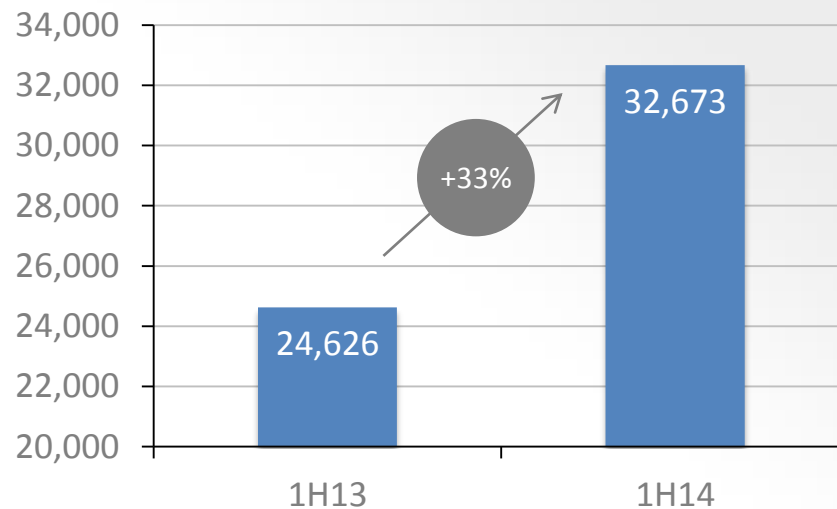
Our client base continues to grow fast



Number of Active Accounts



Number of New Accounts



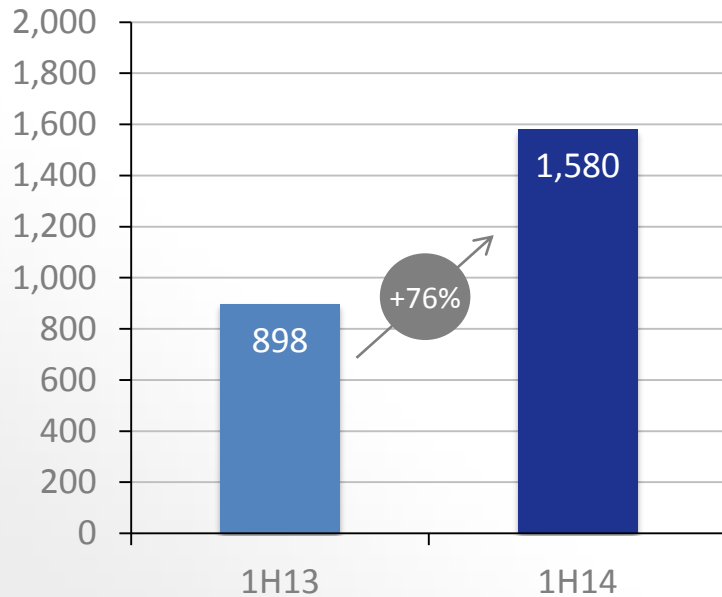
- + Australia and Asia are among our fastest growing markets
- + We remain the top rated app in our field (August 2014)
- + Significant growth in H1 2014 in all KPIs

	Twelve months ended December 31		Growth FY13/FY12
	2013	2012	
Active Accounts	85,795	58,348	47%
New Accounts	56,819	37,050	53%

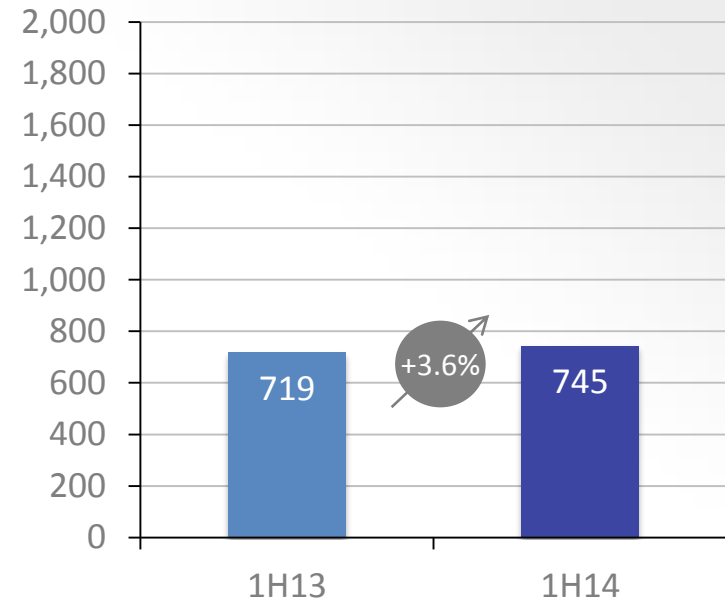
ARPU vs. AUAC



ARPU (\$)



AUAC (\$)



- ⊕ Further significant growth expected in ARPU in H1 2014 due to improved branding and retention initiatives
- ⊕ Expect to increase marketing ROI such that AUAC will not increase faster than ARPU

Balance sheet strength



Key Financial Indicators – Balance Sheet:

	Six months ended June 30		FY	1H14/1H13
	2014	2013	2013	Growth
Current Assets	119,509	36,682	88,739	
Non Current Assets	1,086	626	1,354	
Total Assets	120,595	37,308	90,093	223%
Liabilities	31,825	18,737	22,079	70%
Equity	88,770	18,571	68,014	378%

Growing cash balances



Key Financial Indicators – Cash Flow:

	Six months ended June 30		1H14/1H13
	2014	2013	Growth
Operating activities:			
Cash generated from operations	74,026	19,346	283%
Income tax paid - net	(11,117)	(3,607)	208%
<i>Net cash provided by operating activities</i>	62,909	15,739	300%
<i>Net cash used in investing activities</i>	-83	-45	84%
Financing activities:			
Dividend Paid	-33,007	-4,874	
Prepaid expenses	-	-578	
<i>Net cash used in financing activities</i>	-33,007	-5,452	505%
Exchange gain on cash and cash equivalents	1,252	-	
Cash and Cash Equivalents, End of Period	115,179	32,728	252%



Business Overview



Financial Overview



Outlook



- ✦ H1 2014 showed strong growth compared to H1 2013
- ✦ New features and trading instruments
- ✦ Continued optimisation of marketing ROI
- ✦ The Board remain committed to a 50% payout dividend policy
- ✦ Additional special dividends where capital needs allow
- ✦ Windows phone app on track
- ✦ Expansion into new geographies

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