

For immediate release: Monday 9th October 2000

Sportingbet.com (UK) plc

Unaudited Results for the three months ended 30 June 2000

Chairman's Statement

The three months ended the 30th June 2000 represent a period during which the Company has made further progress in its planned development. The Company recorded a substantial growth in turnover, increased numbers of customers, heightened customer activity levels and also successfully integrated Betmaker.com which was acquired in May 2000.

Financial Results

The results for the three months ended 30th June 2000 show significant growth in turnover to £39.1 million from £1.5 million for the corresponding period last year. Gross profit was £1.2 million at a margin of 3.1% compared with a gross profit of £109,000 at a margin 7% in 1999. Turnover and gross profit for the quarter are both 44% higher than that achieved in the whole of the previous financial year.

A pre tax loss was recorded for the quarter of £2.4million, compared with a pre tax loss of £154,000 a year ago. The loss includes expenditure of £700,000 on further development of the Company's software product, marketing expenditure of £1 million and acquisition costs of £150,000. These costs have all been written off as incurred in line with the Company's conservative accounting policies. Goodwill arising on the acquisition of Betmaker.com amounts to £9 million and is being expensed over 10 years, with a charge of £145,000 in the reported period.

Following the acquisition of Betmaker, the Company identified the need to seek additional equity funding. This process was successfully concluded in July 2000 with £6.8 million of new funds raised through a convertible loan note, convertible at £1.50 per share, issued to a number of institutional investors. This has provided sufficient funding to meet the ongoing needs of the business (excluding any further acquisitions) for the foreseeable future.

Strategy

The Company's strategy remains focused on establishing Sportingbet.com as the leading online global sportsbook. The substantial growth experienced in the first quarter has reaffirmed the Board's belief that the Internet provides the medium to deliver a truly global sports betting business.

To develop this potential more fully, and in particular to maximize *global* opportunities as they arise, the Company has continued to invest in its technology and global marketing activities. The provision of new services (such as Interactive Television),

International odds (decimal odds for Asia), new language sites (Spanish, Turkish and Japanese) will help to further these aims.

In many cases, the Company continues to enjoy the benefits of “first mover” advantage, derived from a flexible in-house software resource and ownership of its own source code.

Operating and Marketing Activity

The Company has grown its customer base to over 50,000 customers as of 30 June 2000, across 103 countries and operating in 22 currencies. This compares with 12,500 customers across 101 countries and 20 currencies at 31st March 2000. The increase in customer numbers of 37,500 since 31st March 2000 comprises 31,000 acquired from the acquisition of Betmaker and 6,500 new customers from global marketing campaigns.

This growth in customer numbers has been the main driver behind the increase in turnover. However, the benefit from a high growth in customer numbers is being augmented by a rise in customer activity levels and propensity to bet. The Company continues to focus marketing and customer service activity as much on customer retention (newsletters, loyalty schemes, sports content and information provision) as customer acquisition.

The acquisition of Betmaker.com has made an important contribution to the business. The Costa Rican based online betting company was purchased in May 2000 for \$15 million, of which \$10 million was payable in cash and \$5 million in Sportingbet shares. Betmaker.com has a loyal customer base across the Americas and is a profitable company.

The Company is pleased with the progress made in the integration of Betmaker.com since acquisition. The customer base continues to expand with double digit growth year on year in turnover and gross profit. Existing customers, as well as new are demonstrating increased activity in terms of average bet size and the number of bets placed. This led to increased turnover despite the reported period coinciding with the off- season for most USA sports, particularly American football.

The Company also acquired an online casino product with the Betmaker business. Turnover growth in this area is impressive and well managed. In excess of 90% of Betmaker customers whilst placing a sports bet online are now also using the Casino product. The Company is clear in its strategy of being a leading global provider of a sports betting service. The casino product however provides significant additional low risk revenue for the Company, as well as an enhanced service offering to Betmaker customers. The option to visit the Sportingbet casino is an important contributor to customer retention. The high percentage of Betmaker customers that use the casino validates this view, as does the very low churn rate.

Accordingly, the Company has decided to retain the casino service for Betmaker customers, whilst keeping the focus of the business on online sports betting. Consideration will be given to extending this added value service to all of the Company's customers in due course.

To capitalise on the growth opportunities presented by the acquisition of Betmaker, the Company has installed Sportingbet controls in Costa Rica over management, betting and database administration. The Costa Rican site now operates as a branch of the Alderney headquarters of Sportingbet, and is subject to the same degree of regulatory control, financial control and reporting requirements as those that apply to the Alderney operation.

Stephen Fry, a senior Sportingbet manager, has been appointed General Manager of the Costa Rican operation. Stephen has 10 years operational experience in retail bookmaking and general management and a wealth of industry experience with Blandford Betting and Tote Bookmakers. Stephen, who has already relocated to Costa Rica, is being supported by an experienced risk manager from Alderney, Brent Howe and a Chartered Accountant, David Naismith.

The website formerly trading as Betmaker is in the process of being re-branded as SportingbetUSA.com. This will be complete in July, ahead of plan. No discernible loss of clients has occurred and moreover written commendations have been received from long standing customers on the smooth transfer of operations to Sportingbet.

Euro 2000 was successful for the company, recruiting 4,000 new customers. Euro 2000 was not considered to be a good event for bookmakers in general. However, whilst some bookmakers suffered heavy losses, Sportingbet did not, owing to its restricted liability approach to risk management.

Management

The Company has continued its policy of seeking to attract high quality management to further its global strategy. Whilst the Company maintains a careful watch over its cost base, the Company maintains that the successful management of the levels of turnover now being experienced merit further investment in a quality management structure.

In addition to Stephen Fry, three senior appointments have been made.

Nigel Payne has been appointed to the Board as Finance Director. He was formerly Finance Director of Polestar Magazines and has 12 years of plc Board experience across a portfolio of high growth companies as well as acquisition and flotation experience.

Kevin Dale has been appointed as Marketing Director. Formerly the Marketing Director of Eurobet, he played a major role in brand development and brings with him a wealth of industry and general marketing expertise.

David Grouse has been appointed as Communications Director. He has considerable experience of the racing and internet industries. He was previously Marketing Director for Victor Chandler International and has performed similar roles at the Racing Post and Sportinglife.com. Using his contacts, knowledge and experience, his role will be the promotion of Sportingbet.com as a betting proposition around the globe.

These three appointments complete the senior management team of the Company.

Current Trading and Business Outlook

Trading for the first quarter of the current financial year was ahead of the Board's expectations. The Company expects trading during the second quarter to show further significant growth, particularly with the onset of the sports seasons in the USA and Europe. The Company is well placed to benefit from the marketing initiatives and joint venture agreements put in place over the past year such as Singinvest (Asia), Superbahis (Turkey), J-Craft (Japan), and from the acquisition of Betmaker.

The Company is pleased to report that turnover in the month of September is expected to exceed that of the whole of the first quarter.

The Board acknowledges the wishes of investors to obtain a listing on a higher trading market. Accordingly, the Board is seeking advice on obtaining a listing on the Alternative Investment Market. A further announcement will be made when appropriate.

The Board firmly believes that the Company is in a strong position to secure substantial growth from its marketplace. The Board of the Company continues to be confident of the outlook for the current financial year and the Company's long term growth prospects.

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Chairman

sportingbet.com (UK) plc
Unaudited Consolidated Profit and Loss Account for the three months to 30 June
2000

	Three Months Ended 30 th June 2000 £	Three Months Ended 30 th June 1999 £
TURNOVER	39,105,066	1,517,426
Cost of sales	<u>(37,895,633)</u>	<u>(1,408,136)</u>
GROSS PROFIT/(LOSS)	1,209,433	109,290
Administration expenses	<u>(3,677,690)</u>	<u>(255,938)</u>
OPERATING LOSS	(2,468,257)	(146,648)
Interest receivable	54,736	3,867
Interest payable	<u>(16,315)</u>	<u>(11,931)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(2,429,836)	(154,712)
Taxation	<u>(10,617)</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD	<u><u>(2,440,453)</u></u>	<u><u>(154,712)</u></u>
LOSS PER ORDINARY SHARE		
Basic	<u><u>(2.2p)</u></u>	<u><u>(1.55p)</u></u>

All amounts relate to continuing activities. All recognised gains and losses are included in the profit and loss account. There are no material differences on an historical cost basis to those amounts stated above.

Notes :

1. Turnover comprises the following breakdown by activity :

	30 th June 2000	30 th June 1999
Sports Betting	25,010,622	1,517,426
Casino	14,094,444	-

2. Turnover comprises the following breakdown by geography :

	30 th June 2000	30 th June 1999
Americas	28,045,015	-
Europe, Middle East and Africa	10,407,852	1,517,426
Asia and Australasia	652,199	-

sportingbet.com (UK) plc

Unaudited Consolidated Balance Sheet at 30th June 2000

	30 th June 2000 £
FIXED ASSETS	
Tangible assets	1,586,007
Goodwill	8,887,125
CURRENT ASSETS	
Debtors	2,794,428
Cash at bank and in hand	206,110
CREDITORS:	
Amounts falling due within one year	<u>(7,325,237)</u>
NET CURRENT ASSETS/(LIABILITIES)	<u>(4,324,699)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	(4,324,699)
CREDITORS:	
Amounts falling due after more than one year	<u>-</u>
NET ASSETS	<u>6,148,433</u>
CAPITAL AND RESERVES	
Called up share capital	111,304
Shares to be issued	4,142,482
Share premium	10,083,278
Other reserves	257,756
Profit and loss account	<u>(8,446,387)</u>
EQUITY SHAREHOLDERS' FUNDS/(DEFICIT)	<u>6,148,433</u>