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Sportingbet.com (UK) plc

Unaudited Results for the six months ended 30 September 2000

Chairman's Statement

Proposed A.I.M. Listing

The six months ended 30th September 2000, incorporating the results of Betmaker from the 5th May 2000 represent a period of strong growth for the Company in line with its stated strategy to become the leading online global sports book.

Turnover, gross margin, customer growth and market penetration improved substantially. The re-branding of Betmaker as SportingbetUSA.com, operating as a branch of Alderney has been substantially completed.

Financial Results

The results for the six months ended 30th September 2000 show a significant increase in turnover to £114.1 million from £4.6 million for the corresponding period in 1999. £44.9 million of turnover has arisen through organic operations and £69.2 million has arisen from the acquisition of the Betmaker business. Gross profit has increased to £3.5 million at a margin of 3.1% compared with a gross profit of £152,000 at a margin 3.3% in 1999.

An operating loss before exceptional items and goodwill amortisation was recorded for the half year of £3.46 million, compared with an operating loss of £958,000 a year ago. The operating loss is stated before charging non-trading and exceptional costs. These comprise goodwill arising on the acquisition of the business of Betmaker.com of £364,000 and a £225,000 charge in respect of payments made to Singinvest for the provision of services to the Group.

The costs of raising funds through the issue of the loan note have been amortised in accordance with FRS4. Accordingly, a charge of £124,382 has been charged in the six months to 30th September, with the balance of £248,764 to be amortised over the six months to 31st March 2001.

Strategy

The Company's strategy remains focused on establishing its brand, Sportingbet.com, as the leading online global sports book. The Board believes that the Company's strategy is best served by focusing and reporting the business into three time-zone regions, being AMER (The Americas), EMEA (Europe, Middle East and Africa) and AA (Asia and Australasia).

It is the Board's intention to develop customer service call centres in each of these time-zones, served by a local management team. Each call centre office will handle customer service traffic for the region and employ appropriate language skills. The management in each geographical region will also manage the day-to-day relationships with joint venture partners. All Internet bets will be landed on Alderney, using the Company's bespoke software and regulated under the Company's Alderney license.

The acquisition of the Betmaker business in Costa Rica fulfills the strategic positioning in AMER. The Alderney call centre fulfills the positioning in EMEA. The Board is currently exploring opportunities in AA to complete the regional coverage. The Board believes that this strategy enables Sportingbet to combine a global perspective with an ability to market and service customers locally.

Operating and Marketing Activity

Sportingbet defines a customer as someone who has placed a bet with the Company within the past 2 years. Sportingbet defines an "active" customer as someone who has placed a bet within the last 3 months.

The Company has seen a strong growth in customer numbers in the six months to 30th September 2000. Sportingbet has 50,593 customers as of 30th September 2000, an increase of 44,868 over the same period last year. Of this increase, 25,600 has arisen through the acquisition of Betmaker, with 19,268 arising through organic growth. Sportingbet's customer base now covers 103 countries and operates in 23 currencies.

The breakdown of customers by region is shown below.

| Region | 30th September 2000 | 30th September 1999 |
|---------------|---------------------------------------|---------------------------------------|
| AMER | 35,637 | 2,045 |
| EMEA | 11,633 | 3,088 |
| AA | 3,323 | 592 |
| Total | 50,593 | 5,725 |

The Board are also pleased with the progress that has been made with the activity of its customer base which has improved in each region during the six month period to 30th September 2000. The Board acknowledges that the Company's focus on customer activity has only recently been introduced and that further growth is possible. Targeted marketing campaigns have been developed to service this aim.

Progress across the above key performance indicators of the business has been good. The number of new customers, the cost of acquiring new customers and the activity levels of all customers all show strong progress. The performance of AMER, following the acquisition of the Betmaker business in May 2000, continues to perform well. Betmaker has now been fully re-branded as SportingbetUSA.com, with the sports book operating from Costa Rica as a branch of Sportingbet's operations in Alderney.

To accommodate the above growth and to ensure that Sportingbet can accommodate further expansion, the Company completed an upgrade of its core software during the six months to 30th September 2000 by porting its database onto an Oracle based platform. This provides a scalable working software environment for the future and can accommodate growth on a substantial scale.

At the start of the 2000 sports season, three marketing agreements with joint venture partners went live, and have made encouraging starts. Activity from Asia through the joint venture agreement with Singinvest has exceeded expectation. The Sportingbet Japanese language site was launched, on target, with low-level marketing support. Marketing into Japan will be increased over the coming months with a fully dedicated marketing campaign, specifically designed to cater for the Japanese market. Penetration into Turkey via the agreement with Superbahis has met the Company's targets. Additional distribution channels into Turkey are also being explored to complement the existing agreement.

In late September 2000, the Company completed a deal with 365 Corporation to become its exclusive fixed-odds sports betting partner. Sportingbet.com will be available to the 2.1 million users of 365 sites and feature upon all Football365's national and international soccer web pages, up to and including the 2002 FIFA World Cup in Japan and South Korea. The deal is significant for Sportingbet as access to 365 Corporation's customers is coveted within the industry. The Board believes that it is a credit to the power of the Sportingbet brand and management that 365 Corporation chose to partner with the Company.

The Board continues to believe that Interactive Television and Web Television provide a key future distribution channel to market. The Company's marketing activities reflect this and new agreements will continue to be sought both nationally and particularly internationally. The existing arrangements with Telewest and Yes Television are progressing well and are on target. The Board does not however see this route to market as achieving critical mass in the short term. Full market penetration is considered some way off, with significant growth not being achieved until 2002.

The Board believes that its stance in not investing in WAP technology has been fully vindicated. The Company will revisit this when the opportunities available from the forthcoming 3rd Generation broadband telephony services are clearer.

Current Trading and Business Outlook

The growth in the number of active customers during the six months to the 30th September 2000 has enabled the Company to reach “critical mass” at the start of the sports season, with customers generating sufficient gross margin in the month of September 2000 to cover operating costs. This trend has continued into October and the Board is pleased to report that the Company has generated an operating profit during the month.

The growth of the Company and its strategy of focusing on the global sports betting opportunity is beginning to show financial rewards and continues to differentiate the Company from its competitors. These considerations are increasingly drawing attention to the Company with the result that the Company has been approached by a number of additional potential international partners.

Management

The Board is delighted to announce the appointment of two new non-executive Directors, Mr Robert Williams and Mr. Sean O’Connor with effect from the 10th November 2000. Mr. Robert Williams is a non-executive Director of Law Debenture and a former partner of Linklaters solicitors. Mr. O’Connor, formerly Vice Chairman of Lowe International, (now Lowe Lintas), is currently the Chief Executive of Trillium Venture Developments, Chairman of Stoves Group Plc and sits on the Board of a number of private companies.

After the Annual General Meeting, Mr. Peter Jay and Mr. Philip Goodmaker will stand down from the Board. The Board would like to thank them for all their support, diligence and service during the past two years.

Move to Alternative Investment Market (AIM)

The Board has previously stated that it acknowledged the wish of investors to obtain a listing on a higher trading market and that it was taking advice on the suitability of the Company for a listing on the Alternative Investment Market.

The Board is pleased to confirm that having taken such advice, the Company intends to move from the OFEX trading facility to the Alternative Investment Market of the London Stock Exchange, early in the new year. The Company is being advised by Dresdner Kleinwort Benson and in tandem with the move is likely to undertake an Institutional placing to provide expansion capital to enable the Company to further capitalize on the considerable global market opportunity.

Consequently, trading in the shares of the Company on OFEX will be suspended with effect from 8am on the 9th November, and will recommence on the Alternative Investment Market early in the new year.

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

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Chairman

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Sportingbet.com (UK) plc

Unaudited Consolidated Profit and Loss Account Six months ended the 30th September 2000

| | Six Months ended 30 th September 2000 £ | Six Months ended 30 th September 1999 £ |
|--|---|---|
| TURNOVER - Organic business | 44,861,183 | 4,578,061 |
| - Acquisition | 69,214,327 | - |
| | <u>114,075,510</u> | <u>4,578,061</u> |
| Cost of sales | (110,553,172) | (4,425,578) |
| GROSS PROFIT | 3,522,338 | 152,483 |
| Administration expenses | (7,574,849) | (1,110,917) |
| Group Operating Loss before exceptional Items and goodwill amortisation | (3,463,583) | (958,434) |
| Exceptional costs | (225,000) | - |
| Goodwill amortisation | (363,928) | - |
| Group Operating Loss before interest and tax | (4,052,511) | (958,434) |
| Interest receivable | 63,135 | - |
| Finance Costs - Interest payable | (99,433) | (20,575) |
| - Amortisation of loan issue | (124,382) | - |
| | <u>(223,815)</u> | <u>(20,575)</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | (4,213,191) | (979,009) |
| Taxation | (511) | - |
| LOSS FOR THE FINANCIAL PERIOD | (4,213,702) | (979,009) |
| Loss per ordinary share | (3.7p) | (1p) |
| Loss per ordinary share (fully diluted) | (3.6p) | (1p) |

Notes

- 1 The calculation of earnings per share is based on the weighted average number of issued ordinary shares during the period. Diluted earnings per share includes all share options but does not include the convertible loan stock.
- 2 The results for the period to 30th September 2000 have been extracted from the draft interim accounts upon which the auditors are yet to report. These results have been prepared utilising the accounting policies

adopted by the Company in the audited accounts for the year ended 31st March 2000.

Sportingbet.com (UK) plc

Unaudited Consolidated Balance Sheet at 30th September 2000

| | 30 th September 2000 £ |
|--|---|
| FIXED ASSETS | |
| Tangible assets | 1,574,384 |
| Goodwill | 8,615,061 |
| | <u>10,189,445</u> |
| CURRENT ASSETS | |
| Debtors | 3,883,037 |
| Cash at bank and in hand | 3,860,607 |
| CREDITORS: | |
| Amounts falling due within one year | <u>7,277,186</u> |
| NET CURRENT ASSETS/(LIABILITIES) | <u>466,458</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 10,655,903 |
| CREDITORS: | |
| Amounts falling due after more than one year | <u>6,281,233</u> |
| NET ASSETS | <u>4,374,670</u> |
| CAPITAL AND RESERVES | |
| Called up share capital | 1,311,305 |
| Shares to be issued | 2,942,482 |
| Share premium | 10,083,278 |
| Other reserves | 257,756 |
| Profit and loss account | <u>(10,220,151)</u> |
| EQUITY SHAREHOLDERS' FUNDS/(DEFICIT) | <u><u>4,374,670</u></u> |