



Nigel Payne – Group Chief Executive
Andy McIver – Group Finance Director

REVIEW OF THE YEAR ENDED 31 MARCH 2002

JUNE 2002

12 Months to 31 March 2002: Summary

- A successful year exceeding our expectations
- Turnover of £991.5m – up 205% from £324.7m last year
- Gross profit of £60.3m – up 310% from £14.7m last year
- Operating profit of £14.2 million – loss of £2.1m last year
- Cash from trading activities of £17.2m – outflow of £1.5m last year
- Cash conversion of 121%
- PBT of £5m – loss of £4.2m last year
- Customers up 468,522 to 558,587 with over 18 million bets placed in the year

The scale of the business – 34 Own Brand examples

- www.sportingbet.com (x8)
- www.sportingbetusa.com (x2)
- www.sportsbook.com (x3)
- www.superbahis.com
- www.playersonly.com
- www.wallstreet.com
- www.miapuesta.com
- www.eurosportwetten.com
- www.sportbuchmacher.com
- www.sb28.com
- www.allstarsportsbook.com
- www.supervegascasino.com
- www.acescasino.com (x5)
- www.aspencasino.com
- www.alpscasino.com
- www.jeuxdecasino.com
- www.casinowelt.com
- www.karibikcasino.com
- www.espanolcasino.com
- www.skylinecasino.com

The scale of the business – 13 White Label examples

- www.mysportsbook.com
- www.dragonslot.com (x2)
- www.placemybet.com
- www.sportfanatik.com
- www.wagertonight.com
- www.betandtrade.com
- www.wagersRus.com
- www.betsonic.com
- www.nycccasino.com
- www.bubbascasino.com
- www.casinooil.com
- www.silverstarcasino.com

Profit and Loss

	3 mths to 31 Mar 2002	Year to 31 Mar 2002	Year to 31 Mar 2001
	£'000	£'000	£'000
Turnover	345,882	991,522	324,672
Cost of sales	(324,117)	(931,241)	(309,993)
Gross profit	21,765	60,281	14,679
Expenses	(15,571)	(46,023)	(16,754)
Operating profit	6,194	14,258	(2,075)
Exceptional costs	(520)	(1,467)	(500)
Goodwill	(2,712)	(6,318)	(1,036)
Interest	(1,122)	(1,431)	(587)
Profit before tax	1,840	5,042	(4,198)
Tax	-	(37)	(2)
Profit after tax	1,840	5,005	(4,200)

EPS

	3 mths to 31 Mar 2002	Year to 31 Mar 2002	Year to 31 Mar 2001
Basic:			
Eps	1.24	3.38	(3.6)
Pre goodwill and exceptionals	3.43	8.66	(2.3)
EBITDA	4.47	9.91	(1.3)
Fully diluted:			
Eps	1.19	3.24	-
Pre goodwill and exceptionals	3.29	8.30	-
EBITDA	4.29	9.50	-

Turnover by Activity

	3 mths to 31 Mar 2002	12 mths to 31 Mar 2002	12 mths to 31 Mar 2001
	£'000	£'000	£'000
Sports	296,600	856,776	235,218
Casino	45,095	124,545	89,454
Fee Income	4,187	10,201	-
	345,882	991,522	324,672

Turnover by Region

	3 mths to 31 Mar 2002	12 mths to 31 Mar 2002	12 mths to 31 Mar 2001
	£'000	£'000	£'000
AMER	207,244	573,476	213,409
AA	98,028	321,177	44,005
EMEA	40,610	96,868	67,258
	345,882	991,522	324,672

Gross Margin by Activity

	3 mths to 31 Mar 2002	12 mths to 31 Mar 2002	12 mths to 31 Mar 2001
	£'000	£'000	£'000
Sports	16,788	47,526	13,117
Casino	790	2,544	1,562
Fees	4,187	10,211	-
	21,765	60,281	14,679
<i>Percentage of turnover</i>	6.3%	6.1%	4.5%

Operating Costs

	3 mths to 31 Mar 2002		12 mths to 31 Mar 2002		12 mths to 31 Mar 2001	
	£'000		£'000		£'000	
Marketing	3,638	1.05%	10,948	1.10%	2,864	0.88%
I.T.	1,991	0.58%	6,710	0.68%	768	0.24%
Banking	3,684	1.07%	9,687	0.98%	1,647	0.51%
Employees	2,986	0.86%	7,232	0.73%	5,640	1.74%
Depreciation	494	0.14%	1,381	0.14%	563	0.17%
Other administrative	2,778	0.80%	10,065	1.02%	5,272	1.62%
	15,571		46,023		16,754	
<i>Percentage of turnover</i>	4.5%		4.6%		5.2%	

Exceptional Costs

	3 mths to 31 Mar 2002	12 mths to 31 Mar 2002	12 mths to 31 Mar 2001
	£'000	£'000	£'000
US Region Integration	-	493	-
Australian Relocation	187	266	-
Alderney Reorganisation	208	208	-
Marketing Partnership Amortisation	125	500	500
	520	1,467	500

Finance Costs

	3 mths to 31 Mar 2002	12 mths to 31 Mar 2002	12 mths to 31 Mar 2001
	£'000	£'000	£'000
Interest receivable	45	226	239
Payable	(163)	(653)	(425)
	(118)	(427)	(186)
Issue cost amortisation	-	-	(401)
Discounting of deferred consideration	(1004)	(1004)	-
	(1122)	(1431)	(587)

Sportsbook Earnout

- Wholly dependent on Profit generated
- Payable in Cash and Shares on a broadly 50/50 basis
- Capped at \$185 Million
- Capped at seven years

Balance Sheet

	31 March 2002 £ 000	31 March 2002 £ 000
FIXED ASSETS		
Goodwill	184,184	33,997
Tangible assets	3,114	2,590
	<u>187,298</u>	<u>36,587</u>
Debtors	7,484	7,005
Cash	21,455	12,083
Creditors falling due within one year	(21,263)	(9,122)
NET CURRENT ASSETS	<u>7,676</u>	<u>9,966</u>
CREDITORS		
Amounts falling due after more than one year	(47,003)	(5,616)
Convertible loan notes	(17,092)	(6,530)
NET ASSETS	<u>130,879</u>	<u>34,407</u>
RESERVES		
Share capital	152	136
Shares to be issued	87,644	8,372
Share premium	48,028	35,848
Other reserves	257	258
Profit and loss	(5,202)	(10,207)
SHAREHOLDERS' FUNDS	<u>130,879</u>	<u>34,407</u>

Goodwill

	Gross	Net
Betmaker	9,071	7,345
NOBS	32,942	31,486
Sportsbook	149,590	143,323
MS Bookmaking	2,042	2,031
	193,645	184,184

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Cash Flow

	£'000	£'000
Opening Cash		12,083
Reconciliation to EBITDA		
Profit After Tax	5,005	
Non cash items	9,261	
Cash items	410	14,676
Working Capital Movement		2,545
Capital Expenditure		(1,877)
Acquisitions		(12,903)
Financing		7,341
Cash items in EBITDA		(410)
Closing Cash		21,455
Liquid Resources		(4,813)
Cash per FRS 1		16,642

Review of AMER - 1

	March 2002	March 2001
Customer Numbers	468,429	44,372
Organic Growth	113,055	11,372
Acquired through acquisition	311,002	33,000
Average Activity rate	19%	21%
Cost per acquisition (active)	£505	£500
Spend per head	£27,000	£22,000
Margin % sports	6.9%	6.5%
Margin % casino	2.0%	2.2%

Review of AMER - 2

- Positive trend in KPI's.
- Strong organic growth, continuing into new year.
- Acquired business of Sportsbook exceeding all expectations.
- Integration ahead of schedule. Complete by July.
- £1 million of annualised cost savings will then kick in.
- Considerable success in white label services. Example: mysportsbook.com.
- Economies of scale attracting increased interest from third parties.
- In-running betting exchange, sportsbook121.com, launching July 2002.
- Evidence of consolidation already underway.

Review of AMER - 3

ISSUE	PROBABILITY	EFFECT
Outright Gambling ban		
Internet Gaming ban		
Internet Sports ban		
Internet Casino ban		
Credit card ban		
Casino Regulation		
Sports Regulation		

= Unlikely

= Bad

Review of EMEA - 1

	March 2002	March 2001
Customer Numbers	54,884	18,388
Organic Growth	36,496	18,388
Acquired through acquisition	-	-
Activity rates	20%	27%
Cost per acquisition	£325	£600
Spend per head	£4,900	£5,100
Margin % sports	4.2%	4.5%
Margin % casino	2.3%	-

Review of EMEA - 2

- Key focus area for management. Significant progress made.
- Customer numbers doubled in last 3 months. 50% of which are active.
- Greek, Danish, Swedish and German sites now live. Norway, Italy and Israel to follow.
- Initial indications positive.
- Reduced cost of acquisition to £325 per active customer (2001: £600).
- New casino product with Boss Media now live.
- In-running betting exchange live in July 2002.
- Profitability can now be seen at the end of this financial year.
- Evidence that consolidation is underway.

Review of EMEA - 3

- Acquisition of Sporting Odds Limited announced today.
- Sporting Odds is a leading UK brand. Will form the focus of UK offering.
- Doubling of Group's size into Europe.
- Consideration £4.5m. £2m in shares, priced at 101p, locked up until October 2003. £2.5m in loan notes, £2m of which is guaranteed.
- Business will remain on-shore and duty paying.
- At 31st May, business has 68,000 customers, 21% active. Turnover of £38m with margin of 7%.
- Integration in 3 months. During those 3 months, break even at best.
- Post integration, 60% of Sporting Odds gross profit will fall to PBT.
- Casino to be added during integration.

Review of AA

	March 2002	March 2001
Customer Numbers	35,274	27,305
Organic Growth	7,969	2,412
Acquired through acquisition	-	21,222
Activity rates	21%	25%
Cost per acquisition	£525	£650
Spend per head	£28,500	£28,000
Margin % sports	4.1%	4.8%
Margin % casino	-	-

Review of AA -2

- Successful first year of acquisition of NOBS.
- Business is now regulated, onshore, free to advertise.
- Customer numbers up 28%.
- Spend per head stable at £25,000.
- Internet site sportingbet.com.au now live.
- Retail business in Asia growing nicely.
- Sb28.com recently launched along with dragonslot.com
- Customers up 30%.
- Vietnam customer service call centre established.
- Decreased focus on wholesale business.

The General Legal Environment

- Regulation of the Internet is still in its infancy and legislation is often unclear and not designed or relevant to transactions over this media.
- Sportingbet complies with all route to market legislation.
- Company's legal structure is such that all bets are landed in its licensed territories. All servers are in such territories.
- Regulatory model now settled in Australia.
- Increasing regulation and opportunity in the U.K. (Budd).
- Confused picture in Asia : Thailand and others more liberal, Hong Kong more protectionist.
- Board remain convinced that in the medium term global markets will move to regulation.

Summary

- Year to 31 March 2002 has been a great success.
- Group has achieved or exceeded what it said it would.
- Business model has proved itself.
- Phase of integration almost complete.
- Consolidation of the industry is underway.
- New financial year sees momentum continuing, strong organic growth.
- World Cup trading has been good.
- Board looks forward to the future with confidence.

Global Sportsbook & Casino
sportingbet Plc



Thank you