



## Sportingbet Plc

### Unaudited results for the third quarter ended 30 April 2011

Sportingbet Plc, a leading online sports betting and gaming group, announces its results for the third quarter ended 30 April 2011.

#### Key highlights for the quarter

- Amounts Wagered in Australia up 14%
- Like for like\* European Sports Net Gaming Revenue up 12%
- Emerging Markets division continues to grow fast, NGR up 148%
- Mobile phone actives up 44% during the quarter
- In:play revenue growth of 14% - now 59% of European sports revenue (2009/10: 57%)

#### Financial highlights for the quarter

|                 | Three months<br>to 30 April<br>2011<br>£m | Three months<br>to 30 April<br>2010<br>£m |
|-----------------|---|---|
| Amounts wagered | 507.3                                     | 520.8                                     |
| Net revenue     | 54.7                                      | 55.7                                      |
| EBITDA**        | 16.1                                      | 14.9                                      |

#### Financial highlights for nine months

|                             | Nine months<br>to 30 April<br>2011<br>£m | Nine months<br>to 30 April<br>2010<br>£m |
|-----------------------------|--|--|
| Amounts wagered             | 1,576.5                                  | 1,486.3                                  |
| Net revenue                 | 162.6                                    | 156.9                                    |
| EBITDA**                    | 41.9                                     | 38.2                                     |
| Adjusted operating profit** | 32.2                                     | 30.3                                     |
| Group operating profit***   | 30.2                                     | 27.9                                     |
| Adjusted diluted EPS** (p)  | 6.1                                      | 5.2                                      |
| Diluted EPS (p)             | 5.7                                      | 4.5                                      |
| EPS (p)                     | 5.9                                      | 4.7                                      |

\* Excluding discontinued territories and at constant currency.

\*\* Adjusted to exclude share option charge, exceptional costs, amortisation and prior year listing costs.

\*\*\* Adjusted to exclude listing costs in the prior year.

**Andrew McIver, Group Chief Executive, commented:**

“We have continued to see strong growth from those economies that have been less impacted by the by the current recession, in particular Australia and our Emerging Markets division. However parts of Europe have been more fragile, particularly the Greek market. Having said that, this situation once again reinforces the argument for a geographically diverse portfolio. Furthermore, it is very pleasing to report EBITDA of £16.1m, in line with budget and ahead of last year’s £14.9m.

May has started robustly and the Board remains confident for the remainder of the year.”

**For further information please contact:**

**Sportingbet Plc**

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There is a presentation for analysts and investors today at 12.00 p.m. (midday) at the offices of Sportingbet: 45 Moorfields, London EC2Y 9AE. In addition, there will be a live audio webcast available at [www.sportingbetplc.com](http://www.sportingbetplc.com). Registration will be made available 20 minutes prior to the presentation start time.

## FINANCIAL RESULTS

### Third quarter ended 30 April 2011

Amounts wagered for the quarter ended 30 April 2011 were down 2.6% at £507.3m (2009/10: £520.8m) earning NGR of £54.1m (2009/10: £55.7m) down 2.9% on prior year. Taking into account our exit from France and Norway in the prior year and at constant currency NGR was up 4.8% on a like for like basis.

Amounts wagered on sports betting fell by 2.3% to £493.3m (2009/10: £504.7m), earning NGR of £40.1m (2009/10: £39.6m), up 1.3% for the quarter. On a like for like basis Sports NGR was up 5.5%.

Casino and games fell 6.9% to £10.8m but was up 1.1% on a like for like basis.

Poker contributed £3.2m (2009/10 £4.5m), down 29% (down 16% like for like), due to the continued presence of large operators who used US liquidity to build up substantial European operations. Whilst the US facing elements of two such operators were closed by the US authorities on 15 April, we have as yet seen no material benefit in Europe from this.

As a percentage of amounts wagered, the European and Australian sports NGR, after deducting customer bonuses, was 11.1% and 4.1% respectively (2009/10: 9.0% and 5.7%).

Costs (excluding share option charge, amortisation and prior year listing costs) in the quarter were £42.1m (2009/10: £43.7m), accounting for 77.0% of NGR (2009/10: 78.5%).

Operating profit (before share option charge, amortisation and prior year listing costs) for the quarter was £12.6m (2009/10: £12.0m). The operating margin was 23.0% (2009/10: 21.5%).

Earnings before interest, tax, depreciation and amortisation (before share option charge and prior year listing costs) increased 8.1% to £16.1m (2009/10: £14.9m).

Operating profit after the share option charge of £0.2m (2009/10: £0.3m) and amortisation of other intangible assets of £0.4m (2009/10: £0.5m) was £12.0m (2009/10: £11.2m).

Interest income amounted to £0.1m (2009/10: £nil). Net finance income was £0.1m (2009/10: £0.5m cost).

Corporation tax decreased to £0.4m (2009/10: £2.4m) as a result of lower profits from Australia.

Adjusted basic earnings per share (before share option charge, amortisation and prior year listing costs), was 2.5p (2009/10: 1.8p). Adjusted diluted earnings per share (before share option charge, amortisation and prior year listing costs), was 2.4p (2009/10: 1.7p). Basic Group statutory earnings per share was 2.3p (2009/10: 1.5p).

## **REVIEW OF OPERATIONS**

### **Europe**

The gross amounts wagered on sports in the European business (incorporating the financial results for the Emerging Markets division) decreased by 11% to £289.0m (2009/10: £324.8m). The European business excluding the Emerging Markets division saw amounts wagered decrease 6% on a like for like basis (excluding discontinued businesses in France and Norway and at constant currency). The Emerging Markets division saw excellent growth of 38% in total amounts wagered as South Africa and Brazil continue to perform strongly.

Sports NGR rose by 8.6% to £31.7m (2009/10: £29.2m). The rise in NGR compared to the fall in amounts wagered is due to the higher sports margin (after deducting customer bonuses) of 11.1% (2009/10: 9.0%), as the overall results favoured us in the quarter. At constant currency and excluding France and Norway, Sports NGR rose by 21%. The sports NGR derived from Emerging Markets rose 234%.

Within Casino and games, the third quarter saw a continued roll out of new content on the Net Entertainment Instant Casino and Boss downloads and also the launch of the first Greek local language live dealer table by Evolution Gaming in April. However, casino and games revenue fell by 6.9% to £10.8m (2009/10: £11.6m) due to the difficult economic conditions in markets such as Spain and, in particular, Greece.

Poker continued to perform well in challenging market conditions. The ParadisePoker Tour continued with sold out events in Prague and Madrid attracting extensive media coverage with customers travelling from all over Europe to take part. In the quarter we also delivered our first B2B poker deal with Opoker.com. During the period the European region generated poker rake, post customer bonus deductions, of £3.2m, down 29% (2009/10: £4.5m). Poker accounted for 5.9% of the Group revenue. Following the actions taken by the US Department of Justice against certain US facing poker sites on 15 April 2011, we have seen no material impact, however we view this as a positive step for Poker going forward.

In November last year, we announced an exclusive five year joint venture with First International Bookmakers Company ("FIBC"), one of Russia's largest licensed bookmakers. FIBC trade under one of the country's most recognised betting brands, Liga Stavok. Sportingbet will provide online services to complement Liga Stavok's existing and fast growing retail operation. The website has been developed and is ready to go live. Further development is being undertaken to enhance the offering to FIBC customers (such as new payment processing facilities and wallet integration), and as planned this will be completed by the end of July.

### **Australia**

Amounts wagered in Australia for the third quarter ended 30 April 2011 increased by 14% to £207.4m (2009/10: £181.8m). The amounts wagered online grew by 68% in the quarter and now accounts for over 50% of the Australian business.

NGR fell 19% to £8.4m (2009/10: £10.4m). The fall in NGR compared to the increase in amounts wagered is due to the lower sports margin (after deducting customer bonuses) of 4.1% (2009/10: 5.7%).

In Australia, the Group continues to develop its business through both product and marketing initiatives. In addition, the launch of an Australian mobile phone application is proving very popular with revenue up 159% year on year.

## **REGULATORY UPDATE**

The Group welcomes the general move in Europe towards greater regulation as it ultimately provides greater certainty about continuity of future revenue streams. We intend to apply for a licence wherever a stable regulated environment with an equitable tax system exists, as long as the market is economically viable for Sportingbet and the rules are enforced.

There has been significant progress over the last three months towards regulation in two of the Group's key markets, Greece and Spain.

Spain has recently passed its online gaming bill, which will fully come into force on 1 January 2012. As expected the legislation provides a reasonable regulatory framework which will ensure a fair and competitive market. Up to obtaining a licence on 1 January we can continue trading although the timing of the introduction of the tax regime is currently unclear.

Greece has published draft legislation which indicates that it intends to regulate its market in late 2011. Whilst there can be no certainty about the timing or final version of the legislation, we are very encouraged by the draft legislation as it stands at present.

Given our market leading position it is our intention to apply for licences in both countries.

Whilst there can be no certainty over the ultimate impact on profitability of regulation in these two countries, where we are a brand leader in a market we are confident that the medium term outlook will be very positive. In particular we note our experience in Australia where in late 2008 advertising restrictions were removed in return for paying additional taxes. Whilst this resulted in an inevitable immediate reduction in profitability, within two years this had more than fully recovered despite the significant increases in both tax and advertising costs.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks of the Group are unchanged from those published in the 2009/10 Annual Report.

## **OUTLOOK**

The fourth quarter has continued the trends seen during the first three quarters of the year. Challenging economic conditions in some of our larger markets have resulted in an increased focus on cost control. However the strong performances from Australia and Emerging markets show the benefits of being an international group.

Whilst individual territories or products may face challenges, the Group is well positioned to move forward due to its broad product range and diverse geographic spread of business. The long-term growth prospects of the industry combined with our constantly expanding product offering give us confidence as to the Group's future growth and the Board remain confident for the remainder of the year.

**Sportingbet Plc**  
**Directors' Responsibility Statement**

The Directors confirm that to the best of their knowledge:

- (a) The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union;
- (b) The interim management report includes a fair review of developments and performance of the business that have occurred during the first half of the financial period and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face, as required by DTR 4.2.7; and
- (c) There have been no related party transactions during the first half of the financial period and there have been no changes to the related party transactions described in the 2009/10 Annual Report. This provides a fair review as required by DTR 4.2.8.

This statement is in accordance with DTR 6.3 to cover our dissemination requirements.

The Directors of Sportingbet Plc are listed in the Sportingbet Annual Report for the year ended 31 July 2010 and a list of current Directors is also maintained on the Sportingbet Plc website: [www.sportingbetplc.com](http://www.sportingbetplc.com). A copy of this announcement is available on the Sportingbet Plc website: [www.sportingbetplc.com](http://www.sportingbetplc.com).

On behalf of the Board,

J Wilkinson  
Group Finance Director  
26 May 2011

## **Disclaimer**

This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities of The Sportingbet Group Plc (the "Company"). Neither this announcement nor the fact of its distribution constitutes a recommendation regarding any securities.

Certain statements, beliefs and opinions contained in this announcement, particularly those regarding the possible or assumed future financial or other performance of the Company, industry growth or other trend projections, are or maybe forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and maybe beyond the Company's ability to control or predict. Forward-looking statements are not guarantees of future performance. No representation is made that any of these statements of forecasts will come to pass or that any forecast result will be achieved.

Neither the Company, nor any of its associates or Directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements.

Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Services Authority), the Company is not under any obligation and the Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No statement in this announcement is intended as a profit forecast or a profit estimate and no statement in the announcement should be interpreted to mean that earning per Sportingbet share for the current or future financial years would necessarily match or exceed the historical earnings published per Sportingbet share.

Certain data in this announcement, including financial, statistical and operating information, has been rounded. As a result of such rounding, the totals of data presented in this announcement may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

**Sportingbet Plc**  
**Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**Nine months ended 30 April 2011**

|   | Notes | Three months to 30 April 2011<br>£m | Three months to 30 April 2010<br>£m | Listing costs<br>£m | Three months to 30 April 2010<br>£m | Nine months to 30 April 2011<br>£m | Nine months to 30 April 2010<br>£m | Listing costs<br>£m | Nine months to 30 April 2010<br>£m |
|---|-------|-------------------------------------|-------------------------------------|---------------------|-------------------------------------|------------------------------------|------------------------------------|---------------------|------------------------------------|
| Amounts wagered   | 4     | 507.3                               | 520.8                               | -                   | 520.8                               | 1,576.5                            | 1,486.3                            | -                   | 1,486.3                            |
| <b>Net gaming revenue</b>   | 3     | 54.1                                | 55.7                                | -                   | 55.7                                | 160.9                              | 156.9                              | -                   | 156.9                              |
| Other operating revenue   |       | 0.6                                 |                                     | -                   |                                     | 1.7                                |                                    | -                   |                                    |
| <b>Total revenue</b>  | 4     | 54.7                                | 55.7                                | -                   | 55.7                                | 162.6                              | 156.9                              | -                   | 156.9                              |
| Administrative expenses before share option charge and amortisation of intangible assets  |       | (42.1)                              | (43.7)                              | (0.8)               | (44.5)                              | (130.4)                            | (126.6)                            | (1.4)               | (128.0)                            |
| Group operating profit before share option charge and amortisation of intangible assets   |       |                                     |                                     |                     |                                     |                                    |                                    |                     |                                    |
|   |       | 12.6                                | 12.0                                | (0.8)               | 11.2                                | 32.2                               | 30.3                               | (1.4)               | 28.9                               |
| Other administrative expenses:  |       |                                     |                                     |                     |                                     |                                    |                                    |                     |                                    |
| • Share option charge   | 5     | (0.2)                               | (0.3)                               | -                   | (0.3)                               | (0.7)                              | (0.9)                              | -                   | (0.9)                              |
| • Amortisation of other intangible assets   |       | (0.4)                               | (0.5)                               | -                   | (0.5)                               | (1.3)                              | (1.5)                              | -                   | (1.5)                              |
| <b>Total admin expenses</b>   |       | (42.7)                              | (44.5)                              | (0.8)               | (45.3)                              | (132.4)                            | (129.0)                            | (1.4)               | (130.4)                            |
| <b>Group operating profit</b>   |       | 12.0                                | 11.2                                | (0.8)               | 10.4                                | 30.2                               | 27.9                               | (1.4)               | 26.5                               |
| Finance income  |       | 0.1                                 | -                                   | -                   | -                                   | 1.6                                | 0.4                                | -                   | 0.4                                |
| Finance costs   |       | -                                   | (0.5)                               | -                   | (0.5)                               | (0.1)                              | (0.7)                              | -                   | (0.7)                              |
| <b>Profit before taxation</b>   |       | 12.1                                | 10.7                                | (0.8)               | 9.9                                 | 31.7                               | 27.6                               | (1.4)               | 26.2                               |
| Taxation  |       | (0.4)                               | (2.4)                               | -                   | (2.4)                               | (2.1)                              | (3.3)                              | -                   | (3.3)                              |
| <b>Profit after tax</b>   |       | 11.7                                | 8.3                                 | (0.8)               | 7.5                                 | 29.6                               | 24.3                               | (1.4)               | 22.9                               |
| <b>Profit attributable to the owners of the parent</b>                                    |       | 11.7                                | 8.3                                 | (0.8)               | 7.5                                 | 29.6                               | 24.3                               | (1.4)               | 22.9                               |
| <b>Other comprehensive income:</b>  |       |                                     |                                     |                     |                                     |                                    |                                    |                     |                                    |
| - Amounts initially recycled to equity under designated cash flow hedges                  |       | (0.6)                               | (0.2)                               | -                   | (0.2)                               | (0.9)                              | (0.5)                              | -                   | (0.5)                              |
| - Amounts recycled to the income statement to match the hedged items                      |       | -                                   | 0.3                                 | -                   | 0.3                                 | (1.2)                              | 0.2                                | -                   | 0.2                                |
| - Exchange differences on translation of foreign operations                               |       | 1.0                                 | 1.7                                 | -                   | 1.7                                 | 1.1                                | 1.6                                | -                   | 1.6                                |
| <b>Total comprehensive income for the period attributable to the owners of the parent</b> |       | 12.1                                | 10.1                                | (0.8)               | 9.3                                 | 28.6                               | 25.6                               | (1.4)               | 24.2                               |
| <b>Profit per ordinary share</b>  | 7     |                                     |                                     |                     |                                     |                                    |                                    |                     |                                    |
| Basic   |       | 2.3p                                | 1.7p                                | (0.2)p              | 1.5p                                | 5.9p                               | 5.0p                               | (0.3)p              | 4.7p                               |
| Diluted   |       | 2.2p                                | 1.6p                                | (0.2)p              | 1.4p                                | 5.7p                               | 4.8p                               | (0.3)p              | 4.5p                               |

**Sportingbet Plc**  
**Unaudited Consolidated Balance Sheet**  
**As at 30 April 2011**

|                                       | Notes | 30 April<br>2011<br>Unaudited<br>£m | 30 April<br>2010<br>Unaudited<br>£m | 31 July<br>2010<br>Audited<br>£m |
|---------------------------------------|-------|-------------------------------------|-------------------------------------|----------------------------------|
| <b>Non-current assets</b>             |       |                                     |                                     |                                  |
| Goodwill                              |       | 41.7                                | 41.5                                | 41.5                             |
| Other intangible assets               |       | 26.8                                | 20.4                                | 21.8                             |
| Property, plant and equipment         | 8     | 27.5                                | 26.8                                | 27.1                             |
| Deferred tax asset                    |       | 2.2                                 | 1.7                                 | 2.0                              |
|                                       |       | 98.2                                | 90.4                                | 92.4                             |
| <b>Current assets</b>                 |       |                                     |                                     |                                  |
| Trade and other receivables           |       | 20.3                                | 13.5                                | 12.6                             |
| Cash and cash equivalents             |       | 57.5                                | 56.6                                | 58.9                             |
| Derivative asset                      |       | -                                   | 0.5                                 | 1.3                              |
|                                       |       | 77.8                                | 70.6                                | 72.8                             |
| <b>Current liabilities</b>            |       |                                     |                                     |                                  |
| Trade and other payables              |       | (51.1)                              | (43.1)                              | (54.4)                           |
| Interest bearing loans and borrowings |       | (6.1)                               | (6.7)                               | (5.3)                            |
| Derivative liability                  |       | (0.7)                               | -                                   | -                                |
|                                       |       | (57.9)                              | (49.8)                              | (59.7)                           |
| <b>Net current assets</b>             |       | 19.9                                | 20.8                                | 13.1                             |
| <b>Non-current liabilities</b>        |       |                                     |                                     |                                  |
| Trade and other payables              |       | (3.8)                               | -                                   | (11.6)                           |
| Obligations under finance leases      |       | (1.6)                               | -                                   | (1.2)                            |
|                                       |       | (5.4)                               | -                                   | (12.8)                           |
| <b>Net assets</b>                     |       | 112.7                               | 111.2                               | 92.7                             |
| <b>Equity</b>                         |       |                                     |                                     |                                  |
| Issued share capital                  | 7     | 0.5                                 | 0.5                                 | 0.5                              |
| Share premium                         |       | 60.0                                | 59.9                                | 59.9                             |
| Retained earnings                     |       | 49.7                                | 49.4                                | 30.8                             |
| Foreign exchange reserve              |       | 2.5                                 | 1.4                                 | 1.5                              |
| <b>Total equity</b>                   |       | 112.7                               | 111.2                               | 92.7                             |

**Sportingbet Plc**  
**Unaudited Consolidated Statement of Changes in Equity**  
**Nine months ended 30 April 2011**

|                            | Issued<br>share<br>capital<br>£m | Share<br>premium<br>account<br>£m | Profit and<br>loss<br>account<br>£m | Foreign<br>exchange<br>reserve<br>£m | Total<br>£m  |
|----------------------------|----------------------------------|-----------------------------------|-------------------------------------|--------------------------------------|--------------|
| <b>As at 1 August 2009</b> | <b>0.5</b>                       | <b>59.4</b>                       | <b>33.3</b>                         | <b>-</b>                             | <b>93.2</b>  |
| Employee share options     | -                                | 0.5                               | (0.6)                               | -                                    | (0.1)        |
| Share option charge        | -                                | -                                 | 1.1                                 | -                                    | 1.1          |
| Dividends paid             | -                                | -                                 | (7.5)                               | -                                    | (7.5)        |
| Profit for the year        | -                                | -                                 | 3.9                                 | -                                    | 3.9          |
| Hedging reserve            | -                                | -                                 | 0.6                                 | -                                    | 0.6          |
| Foreign currency exchange  | -                                | -                                 | -                                   | 1.5                                  | 1.5          |
| <b>As at 1 August 2010</b> | <b>0.5</b>                       | <b>59.9</b>                       | <b>30.8</b>                         | <b>1.5</b>                           | <b>92.7</b>  |
| Employee share options     | -                                | 0.1                               | (0.6)                               | -                                    | (0.5)        |
| Share option charge        | -                                | -                                 | 0.7                                 | -                                    | 0.7          |
| Dividends paid             | -                                | -                                 | (8.6)                               | -                                    | (8.6)        |
| Profit for the period      | -                                | -                                 | 29.6                                | -                                    | 29.6         |
| Hedging reserve            | -                                | -                                 | (2.2)                               | -                                    | (2.2)        |
| Foreign currency exchange  | -                                | -                                 | -                                   | 1.0                                  | 1.0          |
| <b>As at 30 April 2011</b> | <b>0.5</b>                       | <b>60.0</b>                       | <b>49.7</b>                         | <b>2.5</b>                           | <b>112.7</b> |

**Sportingbet Plc**  
**Unaudited Consolidated Statement of Cash Flows**  
**Nine months ended 30 April 2011**

|   | Three<br>months to<br>30 April<br>2011<br>£m | Three<br>months to<br>30 April<br>2010<br>£m | Nine<br>months to<br>30 April<br>2011<br>£m | Nine<br>months to<br>30 April<br>2010<br>£m |
|---|--|--|---|---|
| <b>Group profit after taxation</b>                              | 11.7   | 7.5  | 29.6  | 22.9  |
| Depreciation  | 1.2  | 1.3  | 3.5   | 3.9   |
| Software amortisation   | 2.3  | 1.6  | 6.2   | 4.0   |
| Other amortisation  | 0.4  | 0.5  | 1.3   | 1.5   |
| Share option charge   | 0.2  | 0.3  | 0.7   | 0.9   |
| Finance (income)/ costs   | (0.1)  | 0.5  | (1.5)                                       | 0.3   |
| Taxation  | 0.4  | 2.4  | 2.1   | 3.3   |
| <b>Operating cash flows before movements in working capital</b> | <b>16.1</b>                                  | 14.1   | <b>41.9</b>                                 | 36.8  |
| (Increase)/decrease in receivables                              | (3.9)  | 1.3  | (6.9)                                       | 0.5   |
| (Decrease)/increase in payables                                 | (0.1)  | (3.4)  | (12.6)                                      | 0.7   |
| <b>Cash generated by operations</b>                             | <b>12.1</b>                                  | 12.0   | <b>22.4</b>                                 | 38.0  |
| Income tax paid   | (1.0)  | (1.1)  | (2.3)                                       | (3.0)                                       |
| <b>Net cash from operating activities</b>                       | <b>11.1</b>                                  | 10.9   | <b>20.1</b>                                 | 35.0  |
| Purchases of property, plant and equipment                      | (1.4)  | (0.9)  | (3.5)                                       | (9.3)                                       |
| Purchases of software   | (4.5)  | (5.3)  | (12.4)                                      | (9.0)                                       |
| Acquisitions  | -  | -  | (0.1)                                       | (0.6)                                       |
| Interest received/(paid)  | 0.1  | (0.5)  | 0.3   | (0.3)                                       |
| <b>Cash used in investing activities</b>                        | <b>(5.8)</b>                                 | (6.7)  | <b>(15.7)</b>                               | (19.2)                                      |
| Exercise of share options                                       | -  | -  | (0.6)                                       | -   |
| Issued share capital  | -  | 0.1  | 0.2   | 0.1   |
| Finance leases  | (0.1)  | (0.3)  | 1.2   | 2.7   |
| Movement in reserves due to hedging                             | -  | 0.1  | -   | (0.3)                                       |
| Dividends paid  | (3.0)  | (2.6)  | (8.6)                                       | (7.6)                                       |
| <b>Net cash used in financing activities</b>                    | <b>(3.1)</b>                                 | (2.7)  | <b>(7.8)</b>                                | (5.1)                                       |
| <b>Net increase in cash and cash equivalents in the period</b>  | <b>2.2</b>                                   | 1.5  | <b>(3.4)</b>                                | 10.7  |
| <b>Cash and cash equivalents at beginning of period</b>         | <b>54.4</b>                                  | 54.2   | <b>58.9</b>                                 | 44.3  |
| Effect of foreign exchange rate changes                         | 0.9  | 0.9  | 2.0   | 1.6   |
| <b>Cash and cash equivalents at end of period</b>               | <b>57.5</b>                                  | 56.6   | <b>57.5</b>                                 | 56.6  |

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information**  
**Nine months ended 30 April 2011**

**1. Basis of preparation**

The unaudited financial information provided is for the quarter and nine months ended 30 April 2011.

The unaudited financial information has been prepared in accordance with applicable International Financial Reporting Standards ('IFRSs') as adopted by the European Union that are effective for the quarter ending 30 April 2011. The Group complies with IAS 34 in the presentation of the half yearly financial information.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 July 2010, as described in those financial statements. The condensed consolidated set of financial statements included in this report do not constitute statutory accounts, and have not been reviewed by the statutory auditor. The 2009/10 Annual Report, which includes the statutory accounts for the year ended 31 July 2010 has been delivered to the Registrar of Companies and is also available from the Group's website. The auditor's report on those statutory accounts was unqualified.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of this financial information. The principal risks and uncertainties faced by the Group have not changed significantly since the 2009/10 Annual Report was published, and still continue to represent risks during the remaining three months of the financial year.

**2. Seasonality of operations**

The Group's profitability is particularly sensitive to sporting events that attract a large volume of stakes. Revenues in the online betting industry in the second and third quarter of the financial year are generally stronger than revenues in the first and fourth. The Group's operating results generally reflect this seasonality, but have also been impacted by other factors that are not necessarily seasonal including, the imposition of new regulatory taxes and general economic conditions. Consequently, the Group's quarterly operating results are not necessarily indicative of operating results for an entire year and historical operating results in a quarterly or annual period are not necessarily indicative of future performance.

**3. Net gaming revenue**

Net gaming revenue for the period has been calculated as follows:

|                     | <b>Three months<br/>to 30 April<br/>2011<br/>£m</b> | Three months<br>to 30 April<br>2010<br>£m | <b>Nine months<br/>to 30 April<br/>2011<br/>£m</b> | Nine months<br>to 30 April<br>2010<br>£m |
|---------------------|---|---|--|--|
| Gaming revenue      | <b>60.2</b>   | 59.8                                      | <b>177.9</b>                                       | 170.9                                    |
| Promotional bonuses | <b>(6.1)</b>  | (4.1)                                     | <b>(17.0)</b>                                      | (14.0)                                   |
|                     | <b>54.1</b>   | 55.7                                      | <b>160.9</b>                                       | 156.9                                    |

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**Nine months ended 30 April 2011**

**4. Operating segments**

For management purposes, the Group is currently organised into three geographical regions – Europe, Australia and Emerging Markets. These operating regions are the basis on which the Group reports its operating segments.

The following tables present revenue and profit information and certain asset and liability information regarding the Group's business segments for the period to 30 April 2011 and 30 April 2010 (for the quarter and the year to date).

Emerging Markets refer to the Group's operations in Canada, Brazil and South Africa.

| <b>3 months to April 2011</b>  | Europe<br>£m | Australia<br>£m | Emerging<br>Markets<br>£m | Unallocated<br>central costs<br>£m | <b>Total<br/>£m</b> |
|--|--------------|-----------------|---------------------------|------------------------------------|---------------------|
| Net amounts wagered  | 274.5        | 207.4           | 25.4                      | -                                  | <b>507.3</b>        |
| Net revenue  | 43.6         | 8.3             | 2.8                       | -                                  | <b>54.7</b>         |
| Depreciation   | (3.1)        | (0.5)           | -                         | 0.1                                | <b>(3.5)</b>        |
| Administrative expenses before share option charge and amortisation of intangible assets | (28.6)       | (4.2)           | (2.3)                     | (3.5)                              | <b>(38.6)</b>       |
| Group operating profit before share option charge and amortisation of intangible assets  | 11.9         | 3.6             | 0.5                       | (3.4)                              | <b>12.6</b>         |
| Other administrative expenses:   |              |                 |                           |                                    |                     |
| • Share option charge  | (0.1)        | (0.1)           | -                         | -                                  | <b>(0.2)</b>        |
| • Other amortisation   | (0.4)        | -               | -                         | -                                  | <b>(0.4)</b>        |
| Total administrative expenses  | (32.2)       | (4.8)           | (2.3)                     | (3.4)                              | <b>(42.7)</b>       |
| Operating profit/(loss)  | 11.4         | 3.5             | 0.5                       | (3.4)                              | <b>12.0</b>         |
| Finance income   | (0.2)        | -               | -                         | 0.3                                | <b>0.1</b>          |
| Taxation   | -            | (0.4)           | -                         | -                                  | <b>(0.4)</b>        |
| Profit/(loss) for the period   | 11.2         | 3.1             | 0.5                       | (3.1)                              | <b>11.7</b>         |
| <b>Balance sheet information</b>   |              |                 |                           |                                    |                     |
| Total assets   | 147.2        | 28.8            | -                         | -                                  | <b>176.0</b>        |
| Total liabilities  | (56.9)       | (6.4)           | -                         | -                                  | <b>(63.2)</b>       |
| Expenditure incurred to acquire property, plant and equipment and intangible assets      | 5.1          | 0.8             | -                         | -                                  | <b>5.9</b>          |

Management also review revenue according to its three principal products: sports betting, casino gaming and poker.

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**Nine months ended 30 April 2011**

**4. Operating segments (continued)**

| <b>3 months to April 2011</b> | Sports<br>betting<br>£m | Casino<br>gaming<br>£m | Poker<br>rake<br>£m | Other<br>£m | <b>Total<br/>£m</b> |
|-------------------------------|-------------------------|------------------------|---------------------|-------------|---------------------|
| Amounts wagered               | 497.3                   | 11.6                   | 4.5                 | -           | <b>513.4</b>        |
| Promotional bonuses           | (4.0)                   | (0.8)                  | (1.3)               | -           | <b>(6.1)</b>        |
| Net amounts wagered           | 493.3                   | 10.8                   | 3.2                 | -           | <b>507.3</b>        |
| Revenue                       | 44.1                    | 11.6                   | 4.5                 | 0.6         | <b>60.8</b>         |
| Promotional bonuses           | (4.0)                   | (0.8)                  | (1.3)               | -           | <b>(6.1)</b>        |
| Net revenue                   | 40.1                    | 10.8                   | 3.2                 | 0.6         | <b>54.7</b>         |

| <b>3 months to April 2010</b>  | Europe<br>£m | Australia<br>£m | Emerging<br>Markets<br>£m | Unallocated<br>central costs<br>£m | <b>Total<br/>£m</b> |
|--|--------------|-----------------|---------------------------|------------------------------------|---------------------|
| Net amounts wagered  | 320.6        | 181.8           | 18.4                      | -                                  | <b>520.8</b>        |
| Net revenue  | 44.2         | 10.4            | 1.1                       | -                                  | <b>55.7</b>         |
| Depreciation   | (2.5)        | (0.3)           | -                         | (0.1)                              | <b>(2.9)</b>        |
| Administrative expenses before<br>share option charge and<br>amortisation of intangible assets | (29.6)       | (5.9)           | (0.9)                     | (5.2)                              | <b>(41.6)</b>       |
| Group operating profit before<br>share option charge and<br>amortisation of intangible assets  | 12.1         | 4.2             | 0.2                       | (5.3)                              | <b>11.2</b>         |
| Other administrative expenses:   |              |                 |                           |                                    |                     |
| • Share option charge  | (0.2)        | -               | -                         | (0.1)                              | <b>(0.3)</b>        |
| • Other amortisation   | (0.5)        | -               | -                         | -                                  | <b>(0.5)</b>        |
| Total administrative expenses  | (32.8)       | (6.2)           | (0.9)                     | (5.4)                              | <b>(45.3)</b>       |
| Operating profit/(loss)  | 11.4         | 4.2             | 0.2                       | (5.4)                              | <b>10.4</b>         |
| Finance income   | -            | -               | -                         | (0.5)                              | <b>(0.5)</b>        |
| Taxation   | (0.1)        | (2.3)           | -                         | -                                  | <b>(2.4)</b>        |
| Profit/(loss) for the period   | 11.3         | 1.9             | 0.2                       | (5.9)                              | <b>7.5</b>          |
| <b>Balance sheet information</b>   |              |                 |                           |                                    |                     |
| Total assets   | 138.0        | 23.0            | -                         | -                                  | <b>161.0</b>        |
| Total liabilities  | (38.7)       | (11.1)          | -                         | -                                  | <b>(49.8)</b>       |
| Expenditure incurred to acquire<br>property, plant and equipment<br>and intangible assets      | 5.8          | 0.4             | -                         | -                                  | <b>6.2</b>          |

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**Nine months ended 30 April 2011**

**4. Operating segments (continued)**

| <b>3 months to April 2010</b> | Sports<br>betting<br>£m | Casino<br>gaming<br>£m | Poker<br>rake<br>£m | <b>Total<br/>£m</b> |
|-------------------------------|-------------------------|------------------------|---------------------|---------------------|
| Amounts wagered               | 506.9                   | 12.3                   | 5.7                 | 524.9               |
| Promotional bonuses           | (2.2)                   | (0.7)                  | (1.2)               | (4.1)               |
| Net amounts wagered           | <b>504.7</b>            | <b>11.6</b>            | <b>4.5</b>          | <b>520.8</b>        |
| Revenue                       | 41.8                    | 12.3                   | 5.7                 | 59.8                |
| Promotional bonuses           | (2.2)                   | (0.7)                  | (1.2)               | (4.1)               |
| Net revenue                   | <b>39.6</b>             | <b>11.6</b>            | <b>4.5</b>          | <b>55.7</b>         |

| <b>9 months to April 2011</b>  | Europe<br>£m | Australia<br>£m | Emerging<br>Markets<br>£m | Unallocated<br>central costs<br>£m | <b>Total<br/>£m</b> |
|--|--------------|-----------------|---------------------------|------------------------------------|---------------------|
| Net amounts wagered  | 885.0        | 613.9           | 77.6                      | -                                  | <b>1,576.5</b>      |
| Net revenue  | 127.7        | 27.7            | 7.2                       | -                                  | <b>162.6</b>        |
| Depreciation   | (8.4)        | (1.3)           | -                         | (0.1)                              | <b>(9.8)</b>        |
| Administrative expenses before share option charge and amortisation of intangible assets | (86.8)       | (18.3)          | (5.3)                     | (10.2)                             | <b>(120.6)</b>      |
| Group operating profit before share option charge and amortisation of intangible assets  | 32.5         | 8.1             | 1.9                       | (10.3)                             | <b>32.2</b>         |
| Other administrative expenses:   |              |                 |                           |                                    |                     |
| • Share option charge  | (0.3)        | (0.1)           | -                         | (0.3)                              | <b>(0.7)</b>        |
| • Other amortisation   | (1.3)        | -               | -                         | -                                  | <b>(1.3)</b>        |
| Total administrative expenses  | (96.8)       | (19.7)          | (5.3)                     | (10.6)                             | <b>(132.4)</b>      |
| Operating profit/(loss)  | 30.9         | 8.0             | 1.9                       | (10.6)                             | <b>30.2</b>         |
| Finance income/(cost)  | 0.2          | 0.2             | (0.1)                     | 1.2                                | <b>1.5</b>          |
| Taxation   | (0.2)        | (1.9)           | -                         | -                                  | <b>(2.1)</b>        |
| Profit/(loss) for the period   | 30.9         | 6.3             | 1.8                       | (9.4)                              | <b>29.6</b>         |
| <b>Balance sheet information</b>   |              |                 |                           |                                    |                     |
| Total assets   | 147.2        | 28.8            | -                         | -                                  | <b>176.0</b>        |
| Total liabilities  | (56.9)       | (6.4)           | -                         | -                                  | <b>(63.2)</b>       |

|   |      |     |   |   |             |
|---|------|-----|---|---|-------------|
| Expenditure incurred to acquire property, plant and equipment and intangible assets | 13.9 | 2.0 | - | - | <b>15.9</b> |
|---|------|-----|---|---|-------------|

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**Nine months ended 30 April 2011**

**4. Operating segments (continued)**

| <b>9 months to April 2011</b> | Sports<br>betting<br>£m | Casino<br>gaming<br>£m | Poker<br>rake<br>£m | Other<br>£m | <b>Total<br/>£m</b> |
|-------------------------------|-------------------------|------------------------|---------------------|-------------|---------------------|
| Amounts wagered               | 1,543.7                 | 36.3                   | 13.5                | -           | <b>1,593.5</b>      |
| Promotional bonuses           | (10.8)                  | (3.0)                  | (3.2)               | -           | <b>(17.0)</b>       |
| Net amounts wagered           | 1,532.9                 | 33.3                   | 10.3                | -           | <b>1,576.5</b>      |
| Revenue                       | 128.1                   | 36.3                   | 13.5                | -           | <b>179.6</b>        |
| Promotional bonuses           | (10.8)                  | (3.0)                  | (3.2)               | -           | <b>(17.0)</b>       |
| Net revenue                   | 117.3                   | 33.3                   | 10.3                | -           | <b>162.6</b>        |

| <b>9 months to April 2010</b>  | Europe<br>£m | Australia<br>£m | Emerging<br>Markets<br>£m | Unallocated<br>central costs<br>£m | <b>Total<br/>£m</b> |
|--|--------------|-----------------|---------------------------|------------------------------------|---------------------|
| Net amounts wagered  | 883.2        | 557.8           | 45.3                      | -                                  | <b>1,486.3</b>      |
| Net revenue  | 130.5        | 22.8            | 3.6                       | -                                  | <b>156.9</b>        |
| Depreciation   | (6.9)        | (0.7)           | -                         | (0.3)                              | <b>(7.9)</b>        |
| Administrative expenses before<br>share option charge and<br>amortisation of intangible assets | (87.5)       | (16.2)          | (3.2)                     | (13.2)                             | <b>(120.1)</b>      |
| Group operating profit before<br>share option charge and<br>amortisation of intangible assets  | 36.1         | 5.9             | 0.4                       | (13.5)                             | <b>28.9</b>         |
| Other administrative expenses:   |              |                 |                           |                                    |                     |
| • Share option charge  | (0.5)        | (0.1)           | -                         | (0.3)                              | <b>(0.9)</b>        |
| • Other amortisation   | (1.5)        | -               | -                         | -                                  | <b>(1.5)</b>        |
| Total administrative expenses  | (96.4)       | (17.0)          | (3.2)                     | (13.8)                             | <b>(130.4)</b>      |
| Operating profit/(loss)  | 34.1         | 5.8             | 0.4                       | (13.8)                             | <b>26.5</b>         |
| Finance income   | -            | -               | -                         | (0.3)                              | <b>(0.3)</b>        |
| Taxation   | (0.3)        | (3.0)           | -                         | -                                  | <b>(3.3)</b>        |
| Profit/(loss) for the period   | 33.8         | 2.8             | 0.4                       | (14.1)                             | <b>22.9</b>         |
| <b>Balance sheet information</b>   |              |                 |                           |                                    |                     |
| Total assets   | 138.0        | 23.0            | -                         | -                                  | <b>161.0</b>        |
| Total liabilities  | (38.7)       | (11.1)          | -                         | -                                  | <b>(49.8)</b>       |
| Expenditure incurred to acquire<br>property, plant and equipment<br>and intangible assets      | 17.0         | 1.3             | -                         | -                                  | <b>18.3</b>         |

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**Nine months ended 30 April 2011**

**4. Operating segments (continued)**

| <b>9 months to April 2010</b> | Sports<br>betting<br>£m | Casino<br>gaming<br>£m | Poker<br>rake<br>£m | <b>Total<br/>£m</b> |
|-------------------------------|-------------------------|------------------------|---------------------|---------------------|
| Amounts wagered               | 1,446.2                 | 36.9                   | 17.2                | 1,500.3             |
| Promotional bonuses           | (9.3)                   | (1.8)                  | (2.9)               | (14.0)              |
| <b>Net amounts wagered</b>    | <b>1,436.9</b>          | <b>35.1</b>            | <b>14.3</b>         | <b>1,486.3</b>      |
| Revenue                       | 116.8                   | 36.9                   | 17.2                | 170.9               |
| Promotional bonuses           | (9.3)                   | (1.8)                  | (2.9)               | (14.0)              |
| <b>Net revenue</b>            | <b>107.5</b>            | <b>35.1</b>            | <b>14.3</b>         | <b>156.9</b>        |

**5. Share option charge**

|                     | <b>Three months<br/>to 30 April<br/>2011<br/>£m</b> | Three months<br>to 30 April<br>2010<br>£m | <b>Nine months<br/>to 31 Jan<br/>2011<br/>£m</b> | Nine months<br>to 31 Jan<br>2010<br>£m |
|---------------------|---|---|--|--|
| Share option charge | <b>0.2</b>  | 0.3                                       | <b>0.7</b>                                       | 0.9                                    |
|                     | <b>0.2</b>  | 0.3                                       | <b>0.7</b>                                       | 0.9                                    |

**6. Dividends paid**

An interim dividend of 0.6p (2010: 0.5p) per share was paid on 31 March 2011 to ordinary shareholders registered on 11 March 2011.

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**Nine months ended 30 April 2011**

**7. Earnings per share**

|  | <b>Three months<br/>to 30 April<br/>2011</b> | Three months<br>to 30 April<br>2010 | <b>Nine months<br/>to 30 April<br/>2011</b> | Nine months<br>to 30 April<br>2010 |
|--|--|-------------------------------------|---|------------------------------------|
| <b>Profit per ordinary share</b>   |  |                                     |   |                                    |
| Basic  | <b>2.3p</b>                                  | 1.5p                                | <b>5.9p</b>                                 | 4.7p                               |
| Diluted  | <b>2.2p</b>                                  | 1.4p                                | <b>5.7p</b>                                 | 4.5p                               |
| <b>Adjusted earnings per ordinary share<br/>(before exceptional items, share option<br/>charge and amortisation)</b> |  |                                     |   |                                    |
| Basic  | <b>2.5p</b>                                  | 1.6p                                | <b>6.3p</b>                                 | 5.1p                               |
| Diluted  | <b>2.4p</b>                                  | 1.6p                                | <b>6.1p</b>                                 | 4.9p                               |

The calculation of basic earnings per share is based on the profit on ordinary activities after taxation attributable to shareholders of Sportingbet Plc and the weighted average number of shares in issue during the year.

Due to the size of non-cash items the Group has adjusted its earnings per ordinary share to exclude exceptional items, share option charge and amortisation.

|                     | <b>Three months<br/>to 30 April<br/>2011</b> | Three months<br>to 30 April<br>2010 | <b>Nine months<br/>to 30 April<br/>2011</b> | Nine months<br>to 30 April<br>2010 |
|---------------------|--|-------------------------------------|---|------------------------------------|
|                     | <b>£m</b>                                    | £m                                  | <b>£m</b>                                   | £m                                 |
| Basic earnings      | <b>11.7</b>                                  | 7.5                                 | <b>29.6</b>                                 | 22.9                               |
| Share option charge | <b>0.2</b>                                   | 0.3                                 | <b>0.7</b>                                  | 0.9                                |
| Amortisation        | <b>0.4</b>                                   | 0.5                                 | <b>1.3</b>                                  | 1.5                                |
| Adjusted earnings   | <b>12.3</b>                                  | 8.3                                 | <b>31.6</b>                                 | 25.3                               |

During the year the Group had the following weighted average number of shares in issue and potentially dilutive shares:

|  | <b>Three months<br/>to 30 April<br/>2011</b> | Three months<br>to 30 April<br>2010 | <b>Nine months<br/>to 30 April<br/>2011</b> | Nine months<br>to 30 April<br>2010 |
|--|--|-------------------------------------|---|------------------------------------|
|  | <b>No.</b>                                   | No.                                 | <b>No.</b>                                  | No.                                |
| Weighted average number of shares in issue                         | <b>505,781,224</b>                           | 501,984,110                         | <b>504,243,416</b>                          | 494,112,418                        |
| Employee share schemes   | <b>15,118,746</b>                            | 20,251,666                          | <b>15,118,746</b>                           | 20,251,666                         |
| Fully diluted number of weighted average number of shares in issue | <b>520,899,970</b>                           | 522,235,776                         | <b>519,362,162</b>                          | 514,364,084                        |

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**Nine months ended 30 April 2011**

**7. Earnings per share (continued)**

As at 30 April 2011 the Group had the following shares in issue and potentially dilutive shares:

|   | <b>30 April 2011<br/>No.</b> | 30 April 2010<br>No. |
|---|------------------------------|----------------------|
| Number of shares in issue               | <b>505,781,224</b>           | 502,018,144          |
| Employee share schemes                  | <b>15,118,746</b>            | 20,251,666           |
| Fully diluted number of shares in issue | <b>520,899,970</b>           | 522,269,810          |

**8. Property, plant and equipment and software**

Additions to property, plant and equipment and software were £1.4m and £4.5m respectively during the quarter (2009/10: £0.9m and £5.3m), relating largely to software development and IT projects. For the nine month period, additions to property, plant and equipment and software were £3.5m and £12.4m respectively (2009/10: £9.3m and £9.0m).

**9. Related parties**

There have been no related party transactions during the quarter and the nine months to 30 April 2011.