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Sportingbet.com (UK) plc

Unaudited Results for the nine months ended 31 December 2000

Chairman's Statement

The nine months ended 31st December 2000 represent a period of continued strong growth for the company which has furthered the stated strategy of becoming the No. 1 global sportsbook with the premier international on-line brand. Turnover, gross margin, profitability and customer growth have all improved substantially with the marketing of joint venture partnerships such as Singinvest being a strong success.

Financial Results

The results for the nine months ended 31st December 2000 show a significant increase in turnover to £220m, from £Xm for the corresponding period in 1999. £Zm of turnover has arisen through organic operations and £Ym has arisen from the acquisition of the BetMaker business. Turnover in the last quarter of £Xm is Y% above last year.

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.

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.

In the nine months to 31st December 2000, the Company has seen a strong growth in customer numbers in all its key markets. Customer numbers have risen from 50,593 as at 30th September to 59,000 at as 31st December, an increase of X in the quarter and an increase of Y over the same period last year. Sportingbet customer base now covers 104 countries and operates in 24 hard currencies. The breakdown of

The breakdown of customers by region is shown below.

Region	31st December 2000	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 Nine months ended the 31st December

	Nine Months ended 31 st December 2000 £	Nine Months ended 31 st December 1999 £
TURNOVER - Organic business	44,861,183	4,578,061
- Acquisition	69,214,327	-
	<hr/> 217,812,673	<hr/> 4,578,061
Cost of sales	(209,124,989)	(4,425,578)
GROSS PROFIT	8,687,684	152,483
Administration expenses	(11,693,298)	(1,110,917)
Group Operating Loss before exceptional Items and goodwill amortisation	(3,005,612)	(958,434)
Exceptional costs	(375,000)	-
Goodwill amortisation	(586,581)	-
Group Operating Loss before interest and tax	(3,967,143)	(958,434)
Interest receivable	74,403	-
Finance Costs - Interest payable	(261,694)	(20,575)
- Amortisation of loan issue	(265,222)	-
	()	(20,575)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(4,419,658)	(979,009)
Taxation	(2,254)	-
LOSS FOR THE FINANCIAL PERIOD	(4,421,910)	(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 31st December 2000

	31 st December 2000 £
FIXED ASSETS	
Tangible assets	1,801,331
Goodwill	8,392,458
	<u>10,193,789</u>
CURRENT ASSETS	
Debtors	4,842,323
Cash at bank and in hand	3,466,229
CREDITORS:	
Amounts falling due within one year	<u>7,930,260</u>
NET CURRENT ASSETS/(LIABILITIES)	<u>378,292</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	10,572,081
CREDITORS:	
Amounts falling due after more than one year	<u>6,405,617</u>
NET ASSETS	<u>4,166,464</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>(10,428,359)</u>
EQUITY SHAREHOLDERS' FUNDS/(DEFICIT)	<u>4,166,464</u>