



Sportingbet Plc

Results for the third quarter ended 31 December 2003

Sportingbet Plc (LSE: SBT), the world's largest online betting group, announces its unaudited results for the third quarter and cumulative results for the nine months ended 31 December 2003.

Financial Highlights – Q3

- Turnover increased 20% to £360m.
- Operating profit before goodwill increased 34% to £11.1m.
- Profit before tax increased 61% to £9m.
- Cash generation increased 58% to £10.6m; £7m of debt repaid in the quarter.
- Earnings per share pre goodwill of 5.1p.

Business Highlights – Q3

- Customer numbers up 8% to 1.1m; number of sports bets up 30% to 10m.
- Costs reduced to 6.5% of turnover from 7.1%; cost per bet reduced by 13%.
- Significant improvement in Europe, operating profit of over £1m.
- Continued strong performance in US despite adverse exchange rate movement.
- Australian internet launch successful, 37% of all bets now taken over the internet.
- Casino and gaming income up 33% to £12m.

Commenting on today's announcement, Chairman Peter Dicks said:

"The business has delivered a record performance in the three months to 31 December 2003, our most important quarter. This provides an encouraging platform for the full year. The highlight has been the significant improvement in our European business resulting from the management action taken over the past twelve months. The US business again performed very well.

With an experienced management team, the Group has followed a clear strategy of driving turnover growth in target markets from leisure gamblers, through a strong and diverse product offering and innovative marketing campaigns, leveraged off a scalable cost structure. This strategy has served us well and we continue to view the future with confidence."

Chief Executive's statement

“Our focus this year has been on delivering a strong operating performance across our businesses. During the quarter, the Group has improved its performance across all key performance indicators. The Group has generated an operating profit up 34% to £11.1m, which, on a like-for-like exchange rate basis, is up 45% to £12m. In addition, our strong cash flow generation has enabled us to reduce debt by £7m during the quarter.

We are particularly pleased with the improved performance in Europe which has been transformed into a fast growing and profitable business. Management action taken, including the integration of SportingOdds, expansion into new and profitable markets and innovative new product initiatives, has resulted in the region generating over £1m of profit in the quarter, against a loss of £0.3m last year.

The US region has achieved good turnover growth and this, together with a lower cost payment processing network, has generated record profitability. A priority for this region now is to further broaden our customer offering during 2004 with the introduction of new products, in particular horse racing and poker, the latter of which is enjoying a renaissance.

The launch of our internet business in Australia has been very successful. The number of bets taken has almost doubled year on year and 37% of all bets are now taken over the internet – some 6 months after launch.

The winners in our industry will be those companies who deliver leading-edge products, can transact through efficient payment processing channels, have strong, targeted marketing networks and generate customer loyalty and trust. We have focused our efforts and invested heavily in these areas. This focus has given us a leading position and will be the key to growing our profitability still further.”

For further information please contact:

Sportingbet Plc

Nigel Payne, Chief Executive

Tel: 0207 251 7260

Andrew Mclver, Finance Director

Tel: 0207 251 7260

Smithfield (media)

George Hudson

Tel: 0207 360 4900

Tel: 07803 603 130

IR Focus (analysts/investors)

Neville Harris

Tel: 0207 861 3894

The information contained herein is not for publication or distribution to persons in the United States of America. The securities referred to herein have not been and will not be registered under the US Securities Act 1933, as amended, and may not be offered or sold without registration thereunder or pursuant to an available exemption therefrom.

FINANCIAL RESULTS

Three months to 31 December 2003

Turnover for the three months to 31 December 2003 was £360.0m (2002: £298.9m) earning a gross margin of £34.3m (2002: £29.4m) at 9.5% of turnover (2002: 9.8%). Sports betting turnover was £348.0m (2002: £289.9m), earning a gross margin of £22.3m (2002: £20.4m) at 6.4% (2002: 7.0%) of turnover. Casino betting and fee income contributed a further £9.6m and £2.4m respectively to both turnover and gross margin (2002: £7.4m and £1.6m).

Costs in the quarter of £23.2m (2002: £21.1m) represented 6.5% (2002: 7.1%) of turnover. Costs comprised marketing £8.3m (2002: £7.0m), commissions paid to marketing partners and third party software providers £4.8m (2002: £3.4m), banking fees £4.4m (2002: £4.9m), employee costs £3.3m (2002: £3.0m), other administration costs £2.0m (2002: £2.5m) and depreciation £0.4m (2002: £0.3m).

Operating profit for the quarter was £11.1m (2002: £8.3m), representing a margin of 3.1% (2002: 2.8%) of turnover. With approximately 90% of the Group's revenues and costs denominated in foreign currency, exchange rates can have a significant impact on the reported figures, particularly the sterling/dollar rate. The average dollar/sterling exchange rate in the third quarter was \$1.70, an 8% decline over the corresponding period last year. The impact of the adverse exchange rate movements during the quarter has been to reduce the Group's operating profit by £0.9m.

Profit before tax was £9.0m (2002: £5.6m) after deducting goodwill amortisation of £1.8m (2002: £2.2m) and interest of £0.3m (2002: £0.5m). Earnings per share before amortisation of goodwill was 5.1p (2002: 4.9p).

During the quarter the Group generated operating cash of £10.6m (2002: £6.7m), of which £7.0m was used to repay debt. At the end of the quarter, gross debt amounted to £45.4m. This comprised a bank loan and overdrafts of £19.3m, loan notes to the vendors of IOE of £24.7m and a contingent consideration payment in Australia of £1.4m pending the outcome of ongoing litigation.

Nine months to 31 December 2003

Turnover for the nine months to 31 December 2003 was £770.9m (2002: £727.5m) earning a gross margin of £64.4m (2002: £61.1m) at 8.4% of turnover (2002: 8.4%). Sports betting turnover was £747.3m (2002: £706.0m), earning a gross margin of £40.8m (2002: £39.6m) at a gross margin percentage of 5.5% (2002: 5.6%). Casino betting and fee income contributed a further £19.6m and £4.0m respectively to both turnover and gross margin (2002: £17.4m and £4.1m).

Costs in the nine months of £52.5m (2002: £50.6m) represented 6.8% (2002: 7.0%) of turnover. Costs comprised marketing £18.5m (2002: £16.6m), commissions £8.6m (2002: £7.4m), banking fees £9.5m (2002: £10.0m), employee costs £9.0m (2002: £9.0m), other administration costs £5.9m (2002: £6.5m) and depreciation £1.0m (2002: £1.1m).

Operating profit for the nine months was £11.9m (2002: £10.5m), representing a margin of 1.5% of turnover (2002: 1.4%). Profit before tax was £3.3m (2002: £1.8m) after deducting exceptional costs of £1.8m (2002: £Nil), goodwill amortisation of £5.2m (2002: £7.2m), share of operating loss in associate of £0.2m (2002: £Nil) and interest of £1.4m (2002: £1.5m).

Exceptional costs of £1.8m were all incurred in the six months to 30 September 2003 and relate to legal and professional fees associated with renegotiating the Sportsbook earnout and offer discussions earlier in the year. Included within interest is a non-cash charge of £0.6m (2002: £1.1m) in respect of the FRS7 requirement to discount future earnout liabilities back to current values. The final charge was made in July 2003, when the Sportsbook earnout was settled.

Earnings per share before exceptional costs and amortisation of goodwill were 5.1p (2002: 5.6p).

REVIEW OF OPERATIONS

Sportingbet Group

In the three months ended 31 December 2003, the Group has made good progress in each of its operating regions.

The number of registered customers has increased in the quarter by 84,281 (8.4%) to 1,089,311. The number of sports bets placed has risen sharply by 2.3m (29.9%) to 10.0m (2002: 7.7m), demonstrating the strength of the Group's increased product range. As the number of bets has risen, the Group's operational leverage has reduced the average cost per sports bet by 12.9% from £2.64 to £2.30. This increased database activity has also been reflected in substantially higher casino, gaming and fee income with margin rising by £3.0m (33.3%) to £12.0m (2002: £9.0m).

Europe

The European region has been a key area of management focus over the past year and the Board is pleased with the progress that has been made. In this quarter, the region's key performance indicators have advanced significantly and this, together with a wide-ranging increase in products offered, has enabled the region to generate a record operating profit in the quarter of over £1.0m compared to a loss of £0.3m last year.

In the three months ended 31 December 2003, the number of customers rose by 48,977 (17.0%) from 288,869 to 337,846. Organic marketing activities have performed well in each of the region's target markets. Compared with the seasonally strong third quarter last year, the number of sports bets placed increased sharply by 1.7m (141.7%) to 2.9m (2002: 1.2m). The average bet size within each individual European market was constant, though the average for the region as a whole fell during the quarter to £14 (2002: £22), reflecting the continued penetration into low staking markets. As a result of the growth in customer numbers and activity, turnover has risen sharply by 49.8% to £41.2m (2002: £27.5m).

The sports gross margin percentage increased to 10.0% (2002: 7.8%). The record level of activity, together with targeted cost reduction initiatives, lowered the average cost per sports bet to £1.66 (2002: £2.40), the lowest in the Group.

The region's casino and gaming continues to grow strongly, with each of the nine months of the financial year to date generating record levels of activity. Sportingbet's market-leading breadth of virtual games, combined with its casino and fast growing poker room, generated £1.9m of gross margin in the quarter (2002: £0.5m). Virtual games will be launched on interactive television in the UK in the summer of 2004 through a deal signed in the quarter with Yoomedia.

America

The American region had a strong quarter. A solid improvement in the key performance indicators, together with a stable bank processing network, has enabled the region to generate a record level of profitability.

In the three months ended 31 December 2003, the number of customers rose by 31,792 (4.7%) from 673,712 to 705,504. As the Group's US facing brands continue to penetrate the market, the Group has been able to capitalise on a number of new marketing initiatives, such as the Miami Grand Prix which was sponsored by Sportingbet and broadcast live throughout the US on a national network.

Compared with the third quarter last year, the number of sports bets placed increased by 0.4m (6.5%) to 6.6m (2002: 6.2m). The average sports bet size increased by 7.4% to \$58 (2002: \$54). The increase in activity and the rise in the average sports bet generated a 5.6% rise in turnover to £234.1m (2002: £221.6m). At constant exchange rates, the rise in turnover was 14.4% to £253.5m. The sports gross margin in the quarter was 7.8% (2002: 7.9%). The increased activity level generated a reduction in the average cost per sports bet to £2.45 (2002: £2.53).

The region's casino, gaming and fee income also had a strong quarter, generating £10.1m of gross margin (2002: £8.5m), an increase of 18.8%. The Board is pleased with this growth following the introduction of the new World Gaming casino platform in the Spring of 2003. To date, the US business has not offered an internet poker room, however a launch is planned for the first half of 2004. With a substantial US customer database, the Board considers that this could provide a significant growth opportunity.

In the results for the year ended 31 March 2003, the Board reported that there was uncertainty regarding the collection of £3.3m due from a US facing bank processing supplier network which the Group stopped using some time ago. Whilst progress has been made in collecting these monies, the sum remains outstanding and the Group has initiated legal proceedings to secure its recovery.

Australia

The Australian sports betting market is in transition from being a primarily telephone-based betting market to one where the internet is now a strong, emerging force. The internet is both expanding the overall market size in the region and importantly, taking market share. Following the launch of the Group's internet site into the Australian market in June 2003, the Board is pleased with the progress made to date. With the exception of the gross margin percentage, all of the key performance indicators of the region achieved record levels in the quarter.

In the three months ended 31 December 2003, the number of customers rose by 3,512 (8.3%) from 42,449 to 45,961. Compared with the third quarter last year, the number of sports bets placed increased by 0.22m (84.6%) to 0.48m (2002: 0.26m). The percentage of bets being taken from the internet increased to 37% (2002: 6%). The average sports bet size has fallen in line with the increase in lower staking internet activity to AUS\$410 (2002: AUS\$530). The 84.6% increase in activity, offset by a lower average bet size, has generated an increase in turnover of 70.1% to £84.7m (2002: £49.8m).

The record activity level and particularly the introduction of the higher volume, lower cost internet betting platform has resulted in the average cost per sports bet falling significantly to £4.00 per bet (2002: £6.41), a reduction of 37.6%. The gross margin percentage in the region for the quarter was below management's expectations at 1.9% (2002: 4.1%). The gross margin for the year to date is in line with management's expectations and the Board is comfortable that the shortfall in this quarter's margin percentage reflects the volatility that arises from time to time in the industry.

There are no developments to report with regard to the Group's ongoing litigation in Australia.

In Asia, the Group's retail business is profitable, although the opportunities in this market are not a priority for the Group.

Regulatory Developments

The UK Government has continued on its path towards gambling deregulation. A draft of the proposed Gambling Bill has now been published and is currently undergoing consultation. This Bill recognises that remote interactive gambling is a significant opportunity for the UK to become the global base for online gaming operators and seeks to provide an appropriate regulatory framework to achieve this. Sportingbet welcomes the proposals and has made relevant submissions to the Scrutiny Committee.

Elsewhere in Europe, the European Court of Justice's verdict in the Gambelli case has provided cause for cautious optimism that the principle of the supply of online gambling services between EU Member States will be clarified and confirmed. In a recent decision, citing the Gambelli verdict, the District Court of Munich has held that an Austrian based internet gaming company may now offer bets to German consumers without holding a German licence. This, together with ongoing similar debates in Member States, has caused the EU to acknowledge the need to review and clarify the regulation of online gaming. A recent EU Services Directive designed to "cut red tape that stifles Europe's competitiveness" aims to "implement the country of origin principle, whereby if a service provider operates legally in one Member State, it can market its services in others without having to comply with further rules in those host Member States." An EU press release confirms its intent to cover online gambling. Sportingbet welcomes these initiatives.

There has not been any change in the regulatory position in the United States. A potentially prohibitive Bill sponsored by Senator Kyl failed to make progress in the Senate, though this Bill, along with a new pro-regulation Bill, is expected to resurface this year, a shorter legislative year on account of the forthcoming Presidential election. The issues, which have prevented the prohibitive Bill's progress to date, remain. The UK Government's positive stance with regard to remote gambling is attracting increased interest with US regulators.

The Australian government has not yet reported on its review of the Interactive Gambling Act 2001. The Board awaits this report with interest. Regulatory restrictions continue to prevent the offering of an online casino, games or a betting exchange to Australian customers. The Board continues to encourage the Australian authorities to reconsider this view, though no change is expected in the short term.

In Asia there has not been any change in regulation although the debate between regulation and prohibition continues in a number of Asian countries.

Management structure

The Board announced on 11 September 2003 that, in the light of the substantial and ongoing growth the Company has undergone since flotation, a formal review of the composition of the non-executive directors on the Board would be undertaken in order to ensure that its composition reflects the forthcoming needs of the Sportingbet Group. The Board has decided to strengthen the non-executive representation on the Board and expects to make an announcement in this regard shortly.

Outlook

During the first nine months of the current financial year, Sportingbet has made good progress in the development of its business. Following the settlement of its earnout obligations in the summer of 2003, the stability afforded to the Group has enabled the Board to refocus on developing the business and capitalising on the opportunities available to it. The Group's key performance indicators within each region have progressed well. Each region is profitable, cash positive and growing in line with management's expectations. The resulting cash generation has enabled £7.0m of debt to be repaid in the third quarter.

After the first four weeks of the fourth quarter of the year, trading volumes are strong and the Group is performing in line with management's expectations. A further £2.0m of debt has been repaid since the end of the third quarter.

In line with the change of the Group's financial year end to 31 July, Sportingbet will report its results for the three months to 31 March 2004 on 29 April 2004, followed by its audited results for the 16 months to 31 July 2004 in October 2004.

Sportingbet Plc
Unaudited Consolidated Profit and Loss Account
Nine months ended 31 December 2003

	Notes	3 months 31 Dec 2003 £m	Restated 3 months 31 Dec 2002 £m	Restated 9 months 31 Dec 2003 £m	Restated 9 months 31 Dec 2002 £m
TURNOVER	2	360.0	298.9	770.9	727.5
Cost of sales		(325.7)	(269.5)	(706.5)	(666.4)
GROSS PROFIT		34.3	29.4	64.4	61.1
Gross profit %		9.5%	9.8%	8.4%	8.4%
Exceptional costs		-	-	(1.8)	-
Goodwill amortisation		(1.8)	(2.2)	(5.2)	(7.2)
Other administration expenses		(23.2)	(21.1)	(52.5)	(50.6)
Total administration expenses		(25.0)	(23.3)	(59.5)	(57.8)
Group operating profit before exceptional costs and goodwill amortisation		11.1	8.3	11.9	10.5
Exceptional costs		-	-	(1.8)	-
Goodwill amortisation		(1.8)	(2.2)	(5.2)	(7.2)
GROUP OPERATING PROFIT		9.3	6.1	4.9	3.3
Share of operating loss in associate		-	-	(0.2)	-
PROFIT BEFORE INTEREST		9.3	6.1	4.7	3.3
Finance costs	4	(0.3)	(0.5)	(1.4)	(1.5)
PROFIT BEFORE TAXATION		9.0	5.6	3.3	1.8
Taxation		(0.2)	-	(0.3)	(0.1)
PROFIT AFTER TAXATION		8.8	5.6	3.0	1.7
Minority interest		(0.1)	-	(0.1)	-
PROFIT FOR THE FINANCIAL PERIOD	7	8.7	5.6	2.9	1.7
EARNINGS PER ORDINARY SHARE	8	4.2p	3.5p	1.5p	1.1p
ADJUSTED EPS (PRE EXCEPTIONALS AND GOODWILL)		5.1p	4.9p	5.1p	5.6p

Sportingbet Plc
Unaudited Consolidated Balance Sheet
As at 31 December 2003

	31 Dec 2003 £m	31 Dec 2002 £m	31 Mar 2003 £m
FIXED ASSETS			
Intangible fixed assets – goodwill	127.9	157.2	125.1
Investments in associated companies	2.0	-	-
Tangible assets	4.9	3.7	4.3
	<u>134.8</u>	<u>160.9</u>	<u>129.4</u>
CURRENT ASSETS			
Debtors	11.2	7.2	9.8
Cash at bank and in hand	22.9	23.2	20.1
TOTAL CURRENT ASSETS	<u>34.1</u>	<u>30.4</u>	<u>29.9</u>
CREDITORS:			
Amounts falling due within one year	58.6	20.3	18.5
Convertible loan notes	-	-	15.3
	<u>(24.5)</u>	<u>10.1</u>	<u>(3.9)</u>
NET CURRENT (LIABILITIES)/ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES	110.3	171.0	125.5
CREDITORS:			
Amounts falling due after more than one year	9.1	-	0.1
Provisions for liabilities and charges	1.9	46.7	37.0
Convertible loan notes	-	15.5	-
	<u>99.3</u>	<u>108.8</u>	<u>88.4</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	0.2	0.2	0.2
Shares to be issued	28.1	48.0	29.5
Share premium	51.0	59.2	48.6
Other reserves	21.3	5.1	13.8
Profit and loss account	(1.4)	(3.7)	(3.7)
	<u>99.2</u>	<u>108.8</u>	<u>88.4</u>
SHAREHOLDERS' FUNDS – EQUITY			
Minority Interests	0.1	-	-
	<u>99.3</u>	<u>108.8</u>	<u>88.4</u>

Sportingbet Plc
Unaudited Consolidated Cash Flow statement
Nine months to 31 December 2003

	3 months ended 31 Dec 2003 £m	3 months ended 31 Dec 2002 £m	9 months ended 31 Dec 2003 £m	9 months ended 31 Dec 2002 £m
Cash inflow in respect of EBITDA	11.5	8.6	11.1	11.7
Net working capital movement	(0.9)	(1.9)	2.9	(1.5)
Net cash inflow from operating activities	10.6	6.7	14.0	10.2
Returns on investment and servicing of finance	(0.3)	(0.3)	(0.6)	(0.4)
Capital expenditure	(0.6)	(0.3)	(1.6)	(0.3)
Acquisitions / Redemption of loan notes	(3.5)	(2.3)	(19.2)	(4.2)
CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND BEFORE FINANCING	6.2	3.8	(7.4)	5.3
Management of liquid resources	(3.2)	(1.2)	(6.3)	(2.1)
Financing	(3.5)	(0.2)	-	(3.5)
(DECREASE) /INCREASE IN CASH IN THE PERIOD	(0.5)	2.4	(13.7)	(0.3)
RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS				
(Decrease) /Increase in cash in the period	(0.5)	2.4	(13.7)	(0.3)
Cash outflow from increase in liquid resources	3.2	1.2	6.3	2.1
Cash outflow from decrease in debt	3.5	0.2	-	3.5
MOVEMENT IN NET FUNDS RESULTING FROM CASH FLOWS IN PERIOD	6.2	3.8	(7.4)	5.3
Loan notes issued to fund acquisition	-	-	-	(2.1)
Other movements	-	-	6.3	-
Movement in net funds in period	6.2	3.8	(1.1)	3.2
Net funds at start of period	(2.9)	3.9	4.4	4.5
NET FUNDS AT END OF PERIOD	3.3	7.7	3.3	7.7

Sportingbet Plc
Notes
Nine months to the 31 December 2003

1. **Consolidated statement of total recognised gains and losses**

	3 months to 31 Dec 2003	3 months to 31 Dec 2002	9 months to 31 Dec 2003	9 months to 31 Dec 2002
	£m	£m	£m	£m
Profit for financial period	8.7	5.6	2.9	1.7
Exchange translation differences on consolidation	(0.5)	-	(0.6)	-
	<hr/>			
Total recognised gains for the financial period	8.2	5.6	2.3	1.7

2. **Analysis of turnover:**

	3 months to 31 Dec 2003	Restated 3 months to 31 Dec 2002	Restated 9 months to 31 Dec 2003	Restated 9 months to 31 Dec 2002
	£m	£m	£m	£m
a) Analysis of revenue by activity				
Sports Betting	348.0	289.9	747.3	706.0
Casino Betting	9.6	7.4	19.6	17.4
Fee Income	2.4	1.6	4.0	4.1
	<hr/>			
	360.0	298.9	770.9	727.5
b) Analysis of revenue by region				
AMER	234.1	221.6	459.6	506.0
EMEA	41.2	27.5	110.9	58.7
AA	84.7	49.8	200.4	162.8
	<hr/>			
	360.0	298.9	770.9	727.5

3. **Impact of accounting changes:**

As reported in Quarter 2, Sportingbet acquired ownership of certain casino sites and adopted the generally accepted policy of showing net win on casino activities as turnover. This change will reduce Group turnover and white label fee income. Both gross margin percentage and casino income revenue will be increased. Income previously allocated to marketing costs is now included in turnover. All comparatives and year to date numbers have been restated accordingly.

Set out below are the relevant captions that have been impacted by the changes in accounting as if these changes had not occurred. There is no impact on operating profit.

	3 months to 31 Dec 2003	3 months to 31 Dec 2002	9 months to 31 Dec 2003	9 months to 31 Dec 2002
	£m	£m	£m	£m
Turnover	450.4	354.3	996.1	848.8
Gross Profit	30.6	26.5	57.6	54.1
Administration Expenses	(19.5)	(18.2)	(45.7)	(43.6)
	<hr/>			
Operating profit before exceptional costs and goodwill amortisation	11.1	8.3	11.9	10.5

4. **Finance Costs:**

	3 months to 31 Dec 2003	3 months to 31 Dec 2002	9 months to 31 Dec 2003	9 months to 31 Dec 2002
Interest receivable	-	-	-	0.1
Interest payable	(0.3)	(0.2)	(0.8)	(0.5)
	(0.3)	(0.2)	(0.8)	(0.4)
Deferred consideration discount	-	(0.3)	(0.6)	(1.1)
Total finance costs	(0.3)	(0.5)	(1.4)	(1.5)

5. Debtors include £3.3m in respect of amounts due from a payment processing supplier whose agreement has been terminated. As a consequence of a dispute within the processing chain there is uncertainty as to the degree of recoverability of the aforementioned debt and the level of any costs associated with that recovery. Legal proceedings have been initiated to recover these monies. The directors are, nevertheless, confident that the aforementioned debt will be materially recovered.
6. The interim results have been prepared on the basis of the accounting policies set out in the Group's 2003 statutory accounts with the exception of the treatment of casino turnover as set out in the body of this statement. These interim results do not constitute statutory financial statements within the meaning of section 240 of the Companies Act 1985.
7. All amounts on the profit and loss account relate to continuing activities.
8. The basic earnings per share for the quarter is based on the profit on ordinary activities after taxation of £8.7m (2002: £5.6m), and on the weighted average number of shares in issue of 207,775,718 (2002:157,791,700).

The basic earnings per share for the nine months is based on the profit on ordinary activities after taxation of £2.9m (2002: £1.7m), and on the weighted average number of shares in issue of 195,823,923 (2002:157,791,700).