



Sportingbet Plc

Unaudited results for the third quarter ended 30 April 2009

Sportingbet Plc, a leading online sports betting and gaming group, announces its results for the third quarter ended 30 April 2009.

Highlights

- Operating profit* up by 34% to £9.8m
- Operating profit* margin now at 22.4%
- Adjusted fully diluted EPS* up 50% to 1.8p
- Strong performance of core Sports Betting operation
- Amounts wagered up 18% at £431.7m
- Launch of new Romanian language site
- Net cash of £31.3m

Financial summary for the third quarter

| | Q3 2008/9 £m | Q3 2007/8 £m | Growth % |
|----------------------------|-----------------|-----------------|-------------|
| Net Gaming Revenue | 43.8 | 40.7 | 8% |
| Adjusted Operating Profit* | 9.8 | 7.3 | 34% |
| Profit Before Tax | 8.3 | 4.2 | 98% |
| Diluted EPS (p) | 1.5 | 0.6 | 150% |
| Adjusted Diluted EPS* (p) | 1.8 | 1.2 | 50% |

Financial summary year to date (9 months)

| | 9 mths 2008/9 £m | 9 mths 2007/8 £m | Growth % |
|----------------------------|---------------------|---------------------|-------------|
| Net Gaming Revenue | 126.3 | 112.3 | 12% |
| Adjusted Operating Profit* | 26.0 | 19.0 | 37% |
| Profit Before Tax | 21.5 | 6.4 | 236% |
| Diluted EPS (p) | 3.8 | 0.9 | 322% |
| Adjusted Diluted EPS* (p) | 4.7 | 3.4 | 38% |
| Net cash** | 31.3 | 29.6 | 6% |

* Adjusted to exclude exceptional items, share option charge and amortisation

** Net of long term debt and customer liabilities

Andrew McIver, Group Chief Executive, commented:

“The Board is delighted by the performance of the Group both during the quarter and in the year to date. Sportingbet continues to make significant progress, in terms of its profitability, growth in core markets and new emerging territories, and in its focus on delivering an industry leading sports betting product.

We leave the third quarter with operating profit for the year to date of £26.0m compared to £19.0m at this time last year, an increase of 37%.

The fourth quarter of the year is a seasonally quieter period for the Group as a result of the winding down of the European football leagues, leading to reduced sports betting activity. This year, the quarter has started strongly and May has seen solid growth in both sports betting turnover and sports margin. This promising start to the quarter, in conjunction with the strong nine month results reported today, enables the Board to be cautiously optimistic for the full year outcome.”

For further information please contact:

Sportingbet Plc

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There is a presentation for analysts and investors today at 9.30am at the offices of Sportingbet Plc, 45 Moorfields, London EC2Y 9AE. In addition, there will be a live audio webcast available at www.sportingbetplc.com. Registration will be made available 10 minutes prior to the presentation start time.

OVERVIEW

The Group derives 66% of its income from sports betting, 12% from poker and 22% from casino/games.

The third quarter continued the general trends the Group has experienced all year, namely robust growth in sports betting, a struggling poker market (due, in particular, to the competition from operators that continue to take American customers) and a fairly lacklustre casino/games market impacted by recessionary affected recreational spending.

During the quarter, European sports margin, at 10.6% (post betting taxes), was marginally down on the prior year (11.3%) but still remains significantly above the industry average. The lower year on year margin percentage reflects the results of sports events in the quarter, in particular during April when a preponderance of favourites won, rather than any structural issues with regard to pricing in the industry.

In addition, the trend reported at the half year of the Australian high roller telephone turnover being impacted by recession continues. This, however, is being partially mitigated by further strengthening in the growth of the Australian internet business, with bet numbers up 61% year on year, following a relaxation of the previous ban on gambling advertising.

Overall, the Board is pleased with the performance of the Group both during the quarter and year to date, with profits in line with budget.

FINANCIAL RESULTS

Third quarter ended 30 April 2009

Amounts wagered for the third quarter ended 30 April 2009 were up 18% at £431.7m (2007/8: £364.6m), earning Net Gaming Revenue ("NGR") of £43.8m (2007/8: £40.7m). NGR is defined as the value of wagers less payouts plus rake on poker less all betting taxes, bonuses and fair value adjustments.

Amounts wagered on sports betting in Europe grew by 33% to £264.1m (2007/8: £198.0m), earning NGR of £25.0m (2007/8: £20.9m). Casino and gaming contributed a further £9.9m, and poker £5.0m, to both amounts wagered and NGR (2007/8: £9.6m and £5.0m).

Amounts wagered on Australian sports betting grew by 1% to £152.7m (2007/8: £152.0m), earning NGR of £3.9m (2007/8: £5.2m). As a percentage of amounts wagered, the European and Australian sports NGR (post betting tax deductions) were lower than the prior year at 9.5% and 2.6% respectively (2007/8: 10.6% and 3.4%). The European sports margin percentage was affected during the quarter by less favourable sporting results in early April.

Australian NGR margin was affected by the introduction of new betting taxes at State level which reduced earnings by £1.5m compared to the prior year. The impact of these new taxes was more marked in this quarter as it included a one-off element of £0.8m

due to Queensland backdating its tax to 1 September 2008. Without the introduction of the new taxes the Australian NGR margin would have been 3.6% (2007/8: 3.4%).

Amounts wagered and NGR are stated after a deduction for customer bonuses of £5.6m (2007/8: £3.4m). Without the bonus deduction the equivalent margin percentages for Europe and Australia would have been 10.6% and 2.9% (2007/8: 11.3% and 3.5%) respectively.

The Group earns over 90% of its revenue in currencies other than sterling and has benefited in the translation of these results. At constant currency the total amounts wagered increased by 13% whilst total NGR fell by 2%. Since the majority of the costs are incurred in the same currency as the revenue is earned, the benefit to operating profit has been approximately £0.8m in the quarter.

Costs (excluding exceptional items, share option charge and amortisation) in the three months were £34.0m (2007/8: £33.4m), accounting for 77.6% of NGR (2007/8: 82.1%).

Operating profit (before exceptional items, share option charge and amortisation) for the three months was up 34% at £9.8m (2007/8: £7.3m).

EBITDA (earnings before interest, tax, depreciation and amortisation, excluding exceptional items and share option charge), was up 39% to £12.1m (2007/8: £8.7m).

Profit before tax was £8.3m (2007/8: £4.2m) after charging share option charge of £1.0m (2007/8: £1.8m) and amortisation of other intangible assets of £0.5m (2007/8: £1.3m).

As at 30 April 2009, the Group had £54.1m (2007/8: £49.9m) of cash and liquid resources on its balance sheet. After taking into account £18.8m (2007/8: £15.0m) of customer liabilities and £4.0m (2007/8: £5.3m) of bank loans secured on residential properties in the Channel Islands, net cash at the period end stood at £31.3m (2007/8: £29.6m).

REVIEW OF OPERATIONS

Europe

The European based business has continued to perform strongly in the quarter to deliver sports betting growth and sustained profitability.

The division's largest market, Greece, continued to perform well with amounts wagered on sports up 57%. The second largest market, Spain, saw a continuing marked improvement since being brought in-house with amounts wagered up 34%. The Group is encouraged by the progress of the Spanish operation, particularly given the current severe impact of recession in that country.

Eastern Europe continues to be a significant growth market, with amounts wagered on sports increasing in aggregate by 18%. During the quarter a Romanian language site was launched in conjunction with the Group's Greek marketing partner. Early signs are encouraging.

As a result of continued focus on core valuable customers, sports betting yield per customer increased by 36% from £95.77 to £130.17. The number of bets placed was up by 22% to 16.9m (2007/8: 13.8m) and the bets per active customer per quarter increased to 78 (2007/8: 58 bets). The average bet size was £15.83 (2007/8: £14.47). Amounts wagered on sports betting in Europe grew by 33%, up 20% in constant currency. Sports betting NGR grew by 20%, up 7% in constant currency.

Europe's casino and games offering, which accounted for 22% of the Group's revenue, grew by 7% during the quarter and fell by 6% in constant currency. The Group believes that its online casino has been the most susceptible of its products to the current economic pressures on recreational spending. Additionally customers are moving away from the traditional download casino product to more instant casino games using Flash or Java technology. The Group continues to introduce new instant games to support its existing offering.

During the quarter the European region generated poker rake of £5.8m (2007/8: £6.1m), pre bonus deductions, down 5% year on year and 15% in constant currency. Poker now accounts for 12% of the Group's revenue, down from 14% in quarter three 2007/8. Poker remains very challenging as the environment remains highly competitive with large US-focused poker companies, in particular, using their significant cash flow and high liquidity to attract European customers.

Australia

The Australian market has gone through considerable structural changes in the past nine months following a relaxation, on a state by state basis, of the ban on gambling advertising and corresponding tax increases. Whilst this has impacted the current year profitability by approx £2.8m, the opening up of the market is anticipated to lead to improved growth prospects in the longer term

NGR pre-tax increased by 3% from £6.3m to £6.5m at a margin of 4.3% (2007/8: 4.2%). However, the new State taxes and product levies introduced in September 2008, resulted in more than doubling of taxes to £2.7m (2007/8: £1.2m). As a result, NGR post-tax fell by 25% to £3.9m at a post tax margin of 2.6% versus 3.4% last year.

The Australian business continues to grow the size of its recreational internet business due to new advertising campaigns launched following the relaxation of the previous ban. The number of internet wagers placed increased by 61% to 3.9m in the quarter. As the benefits of such advertising flow through over the coming months, the Group expects further growth in its internet business. Currently 51% of the Group's Australian NGR is internet based and 49% telephone based.

The telephone operation is biased towards higher staking customers, betting predominantly on horse racing. These customers are being particularly adversely impacted by the current economic downturn in Australia. While the overall number of telephone bets was flat, the number of telephone bets placed per customer was down 26% and the telephone bet size down 11%.

REGULATORY DEVELOPMENTS

Within Europe, the Board notes the recent developments in France towards a regulated, liberalised and taxed regime. While the Group welcomes the principle, it awaits publication of the precise details. For the year to date, France has accounted for 4% of the Group's NGR.

There have been no other substantive changes in the regulatory environment since the Group reported its Q2 results on 4 March 2009.

The Board continues its discussions with the US Department of Justice with regard to a possible resolution of the historical issues associated with the Group's former US facing business. These discussions are both active and ongoing. However, no further clarity is available at the current time as to the likely outcome or timing.

CURRENT TRADING AND OUTLOOK

The Group's fourth quarter is a seasonally quieter period, with the most popular product of European football betting winding down. That said, the quarter has started strongly with gross gaming revenue for the month of May 19% above last year. The Board remains cautiously optimistic in achieving full year forecasts and is looking forward to both the new European football season and its new financial year commencing 1 August 2009.

Sportingbet Plc
Unaudited Consolidated Interim Income Statement
Nine months ended 30 April 2009

| | Notes | 3 months to 30 April 2009 £m | 3 months to 30 April 2008 £m | 9 months to 30 April 2009 £m | 9 months to 30 April 2008 £m |
|--|-------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Amounts wagered | 3 | 431.7 | 364.6 | 1,198.8 | 1,020.2 |
| Net gaming revenue | 2, 3 | 43.8 | 40.7 | 126.3 | 112.3 |
| Administrative expenses excluding exceptional items, share option charge and amortisation of other intangible assets | | (34.0) | (33.4) | (100.3) | (93.3) |
| Group operating profit before exceptional items, share option charge and amortisation of other intangible assets | | 9.8 | 7.3 | 26.0 | 19.0 |
| Other administrative expenses: | | | | | |
| • Exceptional items | 3, 4 | - | - | - | (3.9) |
| • Share option charge | 3 | (1.0) | (1.8) | (3.2) | (5.4) |
| • Amortisation of other intangible assets | 3 | (0.5) | (1.3) | (1.4) | (3.5) |
| Total administrative expenses | | (35.5) | (36.5) | (104.9) | (106.1) |
| Group operating profit | | 8.3 | 4.2 | 21.4 | 6.2 |
| Finance income | | 0.2 | 0.1 | 0.5 | 0.5 |
| Finance costs | | (0.2) | (0.1) | (0.4) | (0.3) |
| Profit before taxation | | 8.3 | 4.2 | 21.5 | 6.4 |
| Taxation | | (0.1) | (0.8) | (1.5) | (1.8) |
| Group profit for the period | | 8.2 | 3.4 | 20.0 | 4.6 |
| Earnings per ordinary share | 5 | | | | |
| Basic | | 1.7p | 0.7p | 4.2p | 1.0p |
| Diluted | | 1.5p | 0.6p | 3.8p | 0.9p |

Sportingbet Plc
Unaudited Consolidated Balance Sheet
As at 30 April 2009

| | Notes | 30 April 2009 £m | 30 April 2008 £m |
|--|-------|------------------------|------------------------|
| Non-current assets | | | |
| Goodwill | | 46.7 | 51.5 |
| Other intangible assets | | 15.9 | 14.7 |
| Property, plant and equipment | 6 | 20.7 | 20.8 |
| | | <u>83.3</u> | <u>87.0</u> |
| Current assets | | | |
| Trade and other receivables | | 10.9 | 7.8 |
| Cash and cash equivalents | | 54.1 | 49.9 |
| | | <u>65.0</u> | <u>57.7</u> |
| Current liabilities | | | |
| Trade and other payables | | (42.1) | (41.6) |
| Interest bearing loans and borrowings | | (4.0) | (5.3) |
| Deferred consideration | | - | (5.1) |
| | | <u>(46.1)</u> | <u>(52.0)</u> |
| Net current assets | | <u>18.9</u> | <u>5.7</u> |
| Non-current liabilities | | | |
| Deferred consideration | | (2.4) | (0.1) |
| Long-term provisions | | (0.1) | (0.9) |
| | | <u>(2.5)</u> | <u>(1.0)</u> |
| Net assets | | <u>99.7</u> | <u>91.7</u> |
| Equity | | | |
| Issued share capital | | 0.5 | 0.4 |
| Shares to be issued | | 1.5 | 11.5 |
| Share premium | | 57.6 | 52.7 |
| Retained earnings | 7 | 40.5 | 29.2 |
| Foreign exchange reserve | | (0.4) | (1.8) |
| Equity attributable to equity holders of the parent | | <u>99.7</u> | <u>92.0</u> |
| Minority interest | | - | (0.3) |
| Total equity | | <u>99.7</u> | <u>91.7</u> |

Sportingbet Plc
Unaudited Consolidated Cash Flow Statement
Nine months ended 30 April 2009

| | 3 months to 30 April 2009 £m | 3 months to 30 April 2008 £m | 9 months to 30 April 2009 £m | 9 months to 30 April 2008 £m |
|---|---|---------------------------------------|---|---------------------------------------|
| Group profit after tax | 8.2 | 3.4 | 20.0 | 4.6 |
| Depreciation | 1.2 | 0.5 | 3.4 | 2.5 |
| Software amortisation | 1.1 | 0.9 | 2.7 | 2.0 |
| Other amortisation | 0.5 | 1.3 | 1.4 | 3.5 |
| Share option charge | 1.0 | 1.8 | 3.2 | 5.4 |
| Finance income | - | - | (0.1) | (0.2) |
| Taxation | 0.1 | 0.8 | 1.5 | 1.8 |
| Operating cash flows before movements in working capital | 12.1 | 8.7 | 32.1 | 19.6 |
| (Increase)/decrease in receivables | (0.5) | (0.4) | (2.1) | 1.2 |
| (Decrease)/increase in payables | (6.7) | 2.0 | (11.2) | 7.5 |
| Cash from operations | 4.9 | 10.3 | 18.8 | 28.3 |
| Income tax paid | - | - | (1.9) | (1.3) |
| Net cash from operating activities | 4.9 | 10.3 | 16.9 | 27.0 |
| Purchases of property, plant and equipment | (0.4) | (3.5) | (2.9) | (9.8) |
| Purchases of software | (1.4) | (1.0) | (4.6) | (1.1) |
| Acquisitions | (1.0) | (4.0) | (2.0) | (4.0) |
| Interest received | - | 0.1 | 0.1 | 0.3 |
| Cash used in investing activities | (2.8) | (8.4) | (9.4) | (14.6) |
| Repayment of borrowings | - | - | (1.6) | - |
| Purchase of own shares | - | - | (2.3) | - |
| Net cash used in financing activities | - | - | (3.9) | - |
| Net increase in cash and cash equivalents in the period | 2.1 | 1.9 | 3.6 | 12.4 |
| Cash and cash equivalents at beginning of period | 52.1 | 47.6 | 49.4 | 37.0 |
| Effect of foreign exchange rate changes | (0.1) | 0.4 | 1.1 | 0.5 |
| Cash and cash equivalents at end of period | 54.1 | 49.9 | 54.1 | 49.9 |

Sportingbet Plc
Unaudited Consolidated Statement of Recognised Income and Expense
Nine months ended 30 April 2009

| | 3 months to 30 April 2009 £m | 3 months to 30 April 2008 £m | 9 months to 30 April 2009 £m | 9 months to 30 April 2008 £m |
|---|---|------------------------------------|---|---------------------------------------|
| Exchange differences on translation of foreign operations | 0.1 | 0.6 | 1.2 | 0.8 |
| Net income recognised directly in equity | 0.1 | 0.6 | 1.2 | 0.8 |
| Profit for the financial period | 8.2 | 3.4 | 20.0 | 4.6 |
| Total recognised income and expense for the period | 8.3 | 4.0 | 21.2 | 5.4 |

Sportingbet Plc
Unaudited Notes
Nine months ended 30 April 2009

1. Basis of preparation

The financial information provided is for the three months ended 30 April 2009, the third quarter of the Group's financial year ending 31 July 2009, and the nine months ended 30 April 2009.

The financial information has been prepared in accordance with the accounting policies set out in the Group's Annual Report and Accounts for the year ended 31 July 2008, which are based on the recognition and measurement principles of IFRSs in issue as adopted by the European Union (EU). The Group has chosen not to adopt IAS 34 in the preparation of this financial information in accordance with the AIM rules. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of this financial information.

The Group's statutory financial statements for the year ended 31 July 2008 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their reports were unqualified, however they included a reference to an emphasis of matter with regard to regulatory uncertainty consistent with the prior year, and the reports did not contain statements under section 237(2) or (3) of the Companies Act 1985.

2. Net gaming revenue

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

| | 3 months to 30 April 2009 £m | 3 months to 30 April 2008 £m | 9 months to 30 April 2009 £m | 9 months to 30 April 2008 £m |
|---------------------|---|---------------------------------------|---|---------------------------------------|
| Gaming revenue | 49.4 | 44.1 | 140.9 | 123.0 |
| Promotional bonuses | (5.6) | (3.4) | (14.6) | (10.7) |
| | 43.8 | 40.7 | 126.3 | 112.3 |

Sportingbet Plc
Unaudited Notes (Continued)
Nine months ended 30 April 2009

3. Primary and secondary segmental information

The following table presents revenue and profit information for the Group's primary business segments for the third quarter ended 30 April 2009:

| | Europe £m | Australia £m | Americas £m | Unallocated central costs £m | Total £m |
|---|---------------|-----------------|----------------|---------------------------------------|---------------|
| Amounts wagered | 272.6 | 152.7 | 6.4 | - | 431.7 |
| Net gaming revenue | 39.1 | 3.9 | 0.8 | - | 43.8 |
| Depreciation | (1.4) | (0.2) | - | (0.7) | (2.3) |
| Administrative expenses excluding share option charge, depreciation and other amortisation | (20.7) | (3.5) | (0.7) | (6.8) | (31.7) |
| Group operating profit before exceptional items, share option charge and other amortisation | 17.0 | 0.2 | 0.1 | (7.5) | 9.8 |
| Other administrative expenses: | | | | | |
| › Share option charge | (0.4) | (0.2) | - | (0.4) | (1.0) |
| › Other amortisation | (0.5) | - | - | - | (0.5) |
| Total administrative expenses | (35.0) | (3.9) | (0.7) | 4.1 | (35.5) |
| Operating profit/(loss) | 4.1 | - | 0.1 | 4.1 | 8.3 |

The following table presents revenue information for the Group's secondary business segments for the third quarter ended 30 April 2009:

| | Sports betting £m | Casino and gaming £m | Poker rake £m | Total £m |
|--------------------|-------------------------|----------------------------|---------------------|--------------|
| Amounts wagered | 416.8 | 9.9 | 5.0 | 431.7 |
| Net gaming revenue | 28.9 | 9.9 | 5.0 | 43.8 |

Sportingbet Plc
Unaudited Notes (Continued)
Nine months ended 30 April 2009

3. Primary and secondary segmental information (continued)

The following table presents revenue and profit information for the Group's primary business segments for the third quarter ended 30 April 2008:

| | Europe £m | Australia £m | Americas £m | Unallocated central costs £m | Total £m |
|---|---------------|-----------------|----------------|---------------------------------------|---------------|
| Amounts wagered | 210.3 | 152.0 | 2.3 | - | 364.6 |
| Net gaming revenue | 35.3 | 5.2 | 0.2 | - | 40.7 |
| Depreciation | (0.9) | (0.2) | - | (0.3) | (1.4) |
| Administrative expenses excluding exceptional items, share option charge, depreciation and other amortisation | (23.0) | (2.7) | (0.8) | (5.5) | (32.0) |
| Group operating profit before exceptional items, share option charge and other amortisation | 11.4 | 2.3 | (0.6) | (5.8) | 7.3 |
| Other administrative expenses: | | | | | |
| › Exceptional items | - | - | - | - | - |
| › Share option charge | (0.5) | (0.3) | - | (1.0) | (1.8) |
| › Other amortisation | (1.3) | - | - | - | (1.3) |
| Total administrative expenses | (25.7) | (3.2) | (0.8) | (6.8) | (36.5) |
| Operating profit/(loss) | 9.6 | 2.0 | (0.6) | (6.8) | 4.2 |

The following table presents revenue information for the Group's secondary business segments for the third quarter ended 30 April 2008:

| | Sports betting £m | Casino and gaming £m | Poker rake £m | Total £m |
|--------------------|-------------------------|----------------------------|---------------------|-------------|
| Amounts wagered | 350.0 | 9.6 | 5.0 | 364.6 |
| Net gaming revenue | 26.1 | 9.6 | 5.0 | 40.7 |

Sportingbet Plc
Unaudited Notes (Continued)
Nine months ended 30 April 2009

3. Primary and secondary segmental information (continued)

The following table presents revenue and profit information for the Group's primary business segments for the nine months ended 30 April 2009:

| | Europe £m | Australia £m | Americas £m | Unallocated central costs £m | Total £m |
|---|---------------|-----------------|----------------|---------------------------------------|----------------|
| Amounts wagered | 718.9 | 461.4 | 18.5 | - | 1,198.8 |
| Net gaming revenue | 109.0 | 14.9 | 2.4 | - | 126.3 |
| Depreciation | (3.4) | (0.5) | - | (2.2) | (6.1) |
| Administrative expenses excluding share option charge, depreciation and other amortisation | (63.7) | (10.5) | (2.3) | (17.7) | (94.2) |
| Group operating profit before exceptional items, share option charge and other amortisation | 41.9 | 3.9 | 0.1 | (19.9) | 26.0 |
| Other administrative expenses: | | | | | |
| › Share option charge | (1.1) | (0.5) | - | (1.6) | (3.2) |
| › Other amortisation | (1.0) | - | - | (0.4) | (1.4) |
| Total administrative expenses | (81.2) | (11.5) | (2.3) | (9.9) | (104.9) |
| Operating profit/(loss) | 27.8 | 3.4 | 0.1 | (9.9) | 21.4 |

The following table presents revenue information for the Group's secondary business segments for the nine months ended 30 April 2009:

| | Sports betting £m | Casino and gaming £m | Poker rake £m | Total £m |
|--------------------|-------------------------|----------------------------|---------------------|----------------|
| Amounts wagered | 1,153.4 | 30.7 | 14.7 | 1,198.8 |
| Net gaming revenue | 80.9 | 30.7 | 14.7 | 126.3 |

Sportingbet Plc
Unaudited Notes (Continued)
Nine months ended 30 April 2009

3. Primary and secondary segmental information (continued)

The following table presents revenue and profit information for the Group's primary business segments for the nine months ended 30 April 2008:

| | Europe £m | Australia £m | Americas £m | Unallocated central costs £m | Total £m |
|---|--------------|-----------------|----------------|---------------------------------------|-------------|
| Amounts wagered | 617.2 | 397.6 | 5.4 | - | 1,020.2 |
| Net gaming revenue | 97.5 | 13.4 | 1.4 | - | 112.3 |
| Depreciation | (3.0) | (0.4) | - | (1.1) | (4.5) |
| Administrative expenses excluding exceptional items, share option charge, depreciation and other amortisation | (61.1) | (7.5) | (2.2) | (18.0) | (88.8) |
| Group operating profit before exceptional items, share option charge and other amortisation | 33.4 | 5.5 | (0.8) | (19.1) | 19.0 |
| Other administrative expenses: | | | | | |
| › Exceptional items | (1.5) | - | - | (2.4) | (3.9) |
| › Share option charge | (1.5) | (0.9) | - | (3.0) | (5.4) |
| › Other amortisation | (3.5) | - | - | - | (3.5) |
| Total administrative expenses | (70.6) | (8.8) | (2.2) | (24.5) | (106.1) |
| Operating profit/(loss) | 26.9 | 4.6 | (0.8) | (24.5) | 6.2 |

The following table presents revenue information for the Group's secondary business segments for the nine months ended 30 April 2008:

| | Sports betting £m | Casino and gaming £m | Poker rake £m | Total £m |
|--------------------|-------------------------|----------------------------|---------------------|-------------|
| Amounts wagered | 977.6 | 26.9 | 15.7 | 1,020.2 |
| Net gaming revenue | 69.7 | 26.9 | 15.7 | 112.3 |

Sportingbet Plc
Unaudited Notes (Continued)
Nine months ended 30 April 2009

4. Exceptional items

The following exceptional costs were incurred during the period:

| Notes | 3 months to 30 April 2009 £m | 3 months to 30 April 2008 £m | 9 months to 30 April 2009 £m | 9 months to 30 April 2008 £m |
|--|---|---------------------------------------|---|---------------------------------------|
| Reorganisation costs relating to UIGEA (a) | - | - | - | (0.3) |
| Transfer of licensable activities to the Channel Islands (b) | - | - | - | 4.2 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>3.9</u> |

- (a) The impact of the passing of the UIGEA and the subsequent decision to close the US-facing part of ParadisePoker and dispose of the remaining US-facing operations resulted in a number of reorganisation costs. Included in the 2008 reorganisation costs was the release of a £0.7m redundancy accrual that was no longer required.
- (b) The costs relating to the transfer of the licensable activities to Alderney and Guernsey included redundancy, recruitment, training, temporary accommodation and other related costs.

5. Earnings per share

| | 3 months to 30 April 2009 | 3 months to 30 April 2008 | 9 months to 30 April 2009 | 9 months to 30 April 2008 |
|--|--|---------------------------------|--|---------------------------------|
| Earnings per ordinary share | | | | |
| Basic | <u>1.7p</u> | 0.7p | <u>4.2p</u> | 1.0p |
| Diluted | <u>1.5p</u> | 0.6p | <u>3.8p</u> | 0.9p |
| Adjusted earnings per ordinary share (before exceptional items, share option charge and amortisation) | | | | |
| Basic | <u>2.0p</u> | 1.4p | <u>5.2p</u> | 3.9p |
| Diluted | <u>1.8p</u> | 1.2p | <u>4.7p</u> | 3.4p |

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.

Sportingbet Plc
Unaudited Notes (Continued)
Nine months ended 30 April 2009

5. Earnings per share (continued)

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:

| | 3 months to 30 April 2009 £m | 3 months to 30 April 2008 £m | 9 months to 30 April 2009 £m | 9 months to 30 April 2008 £m |
|---------------------|---|---------------------------------------|---|---------------------------------------|
| Basic earnings | 8.2 | 3.4 | 20.0 | 4.6 |
| Exceptional items | - | - | - | 3.9 |
| Share option charge | 1.0 | 1.8 | 3.2 | 5.4 |
| Amortisation | 0.5 | 1.3 | 1.4 | 3.5 |
| Adjusted earnings | 9.7 | 6.5 | 24.6 | 17.4 |

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

| | 3 months to 30 April 2009 No. | 3 months to 30 April 2008 No. | 9 months to 30 April 2009 No. | 9 months to 30 April 2008 No. |
|--|--|--|--|--|
| Weighted average number of shares in issue | 480,388,497 | 464,768,970 | 475,767,129 | 448,895,441 |
| Employee share schemes | 40,335,706 | 40,357,749 | 40,335,706 | 40,357,749 |
| Contingent consideration | 3,092,783 | 25,836,405 | 3,092,783 | 25,836,405 |
| Fully diluted number of weighted average number of shares in issue | 523,816,986 | 530,963,124 | 519,195,618 | 515,089,595 |

As at 30 April 2009 the Group had the following shares in issue and potentially dilutive shares:

| | 2009 No. | 2008 No. |
|---|---------------------|-------------|
| Number of shares in issue | 480,568,111 | 464,768,970 |
| Employee share schemes | 40,335,706 | 40,357,749 |
| Contingent consideration | 3,092,783 | 25,836,405 |
| Fully diluted number of shares in issue | 523,996,600 | 530,963,124 |

Sportingbet Plc
Unaudited Notes (Continued)
Nine months ended 30 April 2009

6. Property, plant and equipment and software

Additions to property, plant and equipment and software were £0.4m and £1.4m respectively during the three months ended 30 April 2009 (2007/8: £3.5m and £1.0m). For the nine month period, additions to property, plant and equipment and software were £2.9m and £4.6m respectively (2007/8: £9.8m and £1.1m).

7. Movement in retained earnings

The movement in retained earnings comprises the Group profit for the quarter of £8.2m and the share option reserve movement of £1.0m, which is not presented separately in equity.

Sportingbet Plc
Nine months ended 30 April 2009

Financial Highlights – Nine months ended 30 April 2009

- Net gaming revenue growth of 12.5% to £126.3m
- Operating profit* up by 36.8% to £26.0m
- Sports betting net gaming revenue growth of 16.2%
- Net cash** of £31.3m

* Adjusted to exclude exceptional items, share option charge and amortisation

** Net of long term debt and customer liabilities

FINANCIAL RESULTS – Nine months ended 30 April 2009

Amounts wagered for the nine months ended 30 April 2009 were £1,198.8m (2007/8: £1,020.2m), earning NGR of £126.3m (2007/8: £112.3m).

Amounts wagered on sports betting in Europe grew by 19.3% to £692.0m (2007/8: £580.1m), earning NGR of £66.0m (2007/8: £56.4m). Casino and gaming contributed a further £30.7m, and poker £14.7m, to both amounts wagered and NGR (2007/8: £26.8m and £15.7m). Amounts wagered on Australian sports betting grew by 16.1% to £461.4m (2007/8: £397.6m), earning NGR of £14.9m (2007: £13.4m).

As a percentage of amounts wagered, the European and Australian sports NGR were 9.5% and 3.2% respectively (2007/8: 9.7% and 3.4%). Amounts wagered and NGR are stated after a deduction for customer bonuses of £14.6m (2007/8: £10.7m). Without the bonus deduction the equivalent numbers would have been 10.7% and 3.5% (2007/8: 10.6% and 3.5%).

Costs (excluding exceptional items, share option charge and amortisation) in the nine months were £100.3m (2007/8: £93.3m), accounting for 79.4% of NGR (2007/8: 83.1%).

Operating profit (before exceptional items, share option charge and amortisation) for the nine months was £26.0m (2007/8: £19.0m).

EBITDA, that is earnings before interest, tax, depreciation and amortisation (excluding exceptional items and share option charge), was up 36.6% to £32.1m (2007/8: £23.5m).

Profit before tax, after charging exceptional items of £nil (2007/8: £3.9m), share option charge of £3.2m (2007/8: £5.4m), amortisation of other intangible assets of £1.4m (2007/8: £3.5m) and crediting interest income of £0.1m (2007/8: £0.2m), was £21.5m (2007/8: £6.4m).