

## Sportingbet Plc

---

### Unaudited Results for the 3 months ended 31 Oct 2009

Sportingbet Plc, a leading online sports betting and gaming group, announces its unaudited results for the quarter ended 31 October 2009.

#### Key Highlights

- Group net gaming revenue (“NGR”) up 26% to £48.6m
- European sports NGR up 56% to £27.2m
- In:play betting driving further growth in sports betting
- European sports gross margin of 11.3% (2008: 10.2%)
- European sports bet numbers up by 42% to 17.4m (2008: 12.3m)
- Profit for the quarter impacted by poor run of Australian horse racing results

#### Financial Highlights

for continuing operations

	2009 £m	2008 £m	%
<b>Amounts Wagered</b>	463.2	362.2	27.9
<b>Net Gaming Revenue</b>	48.6	38.6	25.9
<b>EBITDA*</b>	9.7	8.4	15.5
<b>Adjusted Operating Profit*</b>	7.1	6.5	9.2
<b>Group Operating Profit</b>	6.3	5.2	21.2
<b>Diluted EPS (p)</b>	1.2	0.8	48.3
<b>Adjusted Diluted EPS* (p)</b>	1.3	1.1	25.9
<b>Net cash**</b>	20.6	19.4	5.9

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

\*\* Net of long term debt and customer liabilities

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

"I am pleased to report a solid performance for the seasonally quieter first quarter of the new financial year. Group performance continues to be driven by the European Sports betting business which has seen strong growth in all its key metrics including Amounts Wagered, NGR and active customer numbers.

The Australian business continues to benefit from deregulation with the internet business driving amounts wagered up strongly. As previously reported, the business suffered from poor horse racing margins through August and September which have since recovered to more normal levels.

Casino and gaming revenues have performed well, benefiting from an increased and enhanced product range. The European poker market remains difficult with ongoing competition from companies that continue to accept US resident players.

Trading since the start of the second quarter has remained robust with the additional benefit of Australian margins returning to more normal levels. The Group performance to date gives the Board confidence with regard to the remainder of the financial year."

**For further information please contact:**

**Sportingbet Plc**

Andrew McIver, Group Chief Executive  
Jim Wilkinson, Group Finance Director  
Simon Gregory, Director of Business Development

Tel: 020 7184 1800

**Maitland**

George Hudson

Tel: 020 7379 5151  
Mob: 07595 270 877

There is a presentation for analysts and investors at 9.30 today at the Sportingbet Head Office: 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 10 minutes prior to the presentation start time.

## **FINANCIAL RESULTS: Three months ended 31 October 2009**

On 21 July 2009, the Group sold its loss making Italian operation, Sportingbet Italia S.p.A. Prior year comparatives have been restated to reflect only the results of continuing operations.

Amounts wagered for the three months ended 31 October 2009 were £463.2m (2008: £362.2m), earning net gaming revenue ("NGR") of £48.6m (2008: £38.6m).

Amounts wagered on sports betting in Europe (incorporating the financial results for the Emerging Markets division) grew by 38.2% to £263.8m (2008: £190.9m), earning NGR of £27.2m (2008: £17.4m) up 56% year on year. Casino and gaming contributed a further £11.1m, and poker £4.2m, to both amounts wagered and NGR (2008: £9.9m and £4.4m). Amounts wagered on Australian sports betting grew by 17.3% to £184.1m (2008: £157.0m), earning post betting tax NGR of £6.1m (2008: £6.9m).

As a percentage of amounts wagered, the European and Australian sports NGR were 10.3% and 3.3% respectively (2008: 9.1% and 4.4%). However, amounts wagered and NGR are stated after a deduction for customer bonuses of £4.8m (2008: £3.6m). Without the bonus deduction the equivalent numbers would have been 11.3% and 3.5% (2008: 10.2% and 4.5%).

Costs (excluding exceptional items, share option charge and amortisation) in the year were £41.5m (2008: £32.1m), accounting for 85.4% of NGR (2008: 83.2%).

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 NGR increased by 18%. 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 £0.4m for the quarter.

Operating profit for the continuing business (before exceptional items, share option charge and amortisation) for the three months was £7.1m (2008: £6.5m).

Earnings before interest, tax, depreciation and amortisation (before share option charge) increased 15.5% to £9.7m (2008: £8.4m).

Operating profit after charging share option charge of £0.3m (2008: £0.9m) and amortisation of other intangible assets of £0.5m (2008: £0.4m) was £6.3m (2008: £5.2m).

Net finance income amounted to £0.2m (2008: £0.1m) which relates to realised gains from the Group's P&L hedging policy. Net interest income was negligible (2008: £0.1m).

Basic earnings per share (before share option charge and amortisation) was 1.4p (2008: 1.2p). Diluted earnings per share (before share option charge and amortisation) was 1.3p (2008: 1.1p). Basic Group statutory earnings per share was 1.3p (2008: 0.9p).

As at 31 October 2009, the Group had £48.6m (2008: £41.8m) of cash and liquid resources on its balance sheet. After taking into account £20.7m (2008: £16.8m) of customer liabilities, £4.0m (2008: £5.6m) of bank loans secured on residential properties in the Channel Islands and £3.3m (2008: nil) of finance leases, net cash at the period end stood at £20.6m (2008: £19.4m).

## **REVIEW OF OPERATIONS**

### **Europe**

The European business (incorporating the financial results for the Emerging Markets Division) continues to grow strongly with the amount wagered on sports increasing by 38.2% to £263.8m (2008: £190.9m), generating a gross margin (pre bonus adjustment) of £30.2m (2008: £19.8m) up 52.5%. European casino and games revenue grew by 14.7% to £11.7m (2008: £10.2m) whilst poker revenues declined by 2.0% to £5.0m (2008: £5.1m).

The number of sports bets placed rose by 42% to 17.4m (2008: 12.3m). In-play betting accounted for 58% of the value of bets placed during the quarter. Amounts wagered on live betting increased 68% year on year generating NGR of £15.2m in the quarter. This popularity is evidenced by the number of bets per customer increasing to 78 (2008: 63). Although the average bet size was down 3% to £15.32 (2008: £15.75), yield per sports customer increased from £100 to £135.

During the quarter, a sports' gross margin of 11.3% was achieved (2008: 10.2%). The geographic diversification of both customer base and sports product offering continues to underpin the stability of the sports gross margin. In addition, the investment made in the Group's live-betting product technology allows the Group to maintain live-betting margins well in excess of the industry average.

Following an increase to the casino and games product range, Europe's casino and games offering, which accounted for 22% of the Group's revenue, grew by 14.7% during the quarter. Gaming revenues (from non-download casino based games) have continued to increase strongly during the period and to supplement this growth, further games providers will be added to the portfolio over the course of the current financial year.

During the period, the European region generated poker rake of £5.0m (2008: £5.1m), pre-bonus deductions, down 2% on the prior year. Poker now accounts for 9.4% of Group revenue, down from 12% in 2008. The European poker market remains very challenging as the environment remains highly competitive with certain large US-focused poker companies using their significant cash flows and high liquidity to continue to attract customers from companies not serving the US market.

### **Australia**

Amounts wagered in Australia increased by 17.3% from £157.0m to £184.1m resulting in pre-tax margin remaining flat at £8.7m. Gambling taxes in Australia amounted to £2.2m in the period (2008: £1.6m), affected by the increase in State taxes which were introduced throughout the prior financial year, accompanying a relaxation in advertising restrictions. After accounting for betting taxes, the post tax margin decreased by 8.5% from £7.1m to £6.5m. After bonuses, NGR decreased by 11.6% from £6.9m to £6.1m.

The sports margin in Australia was below the long term average during the quarter at 3.5% (2008: 4.5%) as a result of a period of sports results through August and September which favoured the customer. The margin has reversed through October and the beginning part of November to more normal levels.

The telephone business accounts for 66% of the Amounts Wagered and 52% of the gross margin. Active telephone customer numbers increased 38.6% and the Amount Wagered on the telephone increased by 7.0% to £121.2m with number of bets placed increasing by 19.6% to 0.4m. Whilst, the additional marketing investment has recruited significant numbers of new customers, a number of the metrics appear to demonstrate the impact of recession on this part of the business. The number of bets per telephone customer has decreased 13.7% from an average of 64 bets per quarter to 55 per quarter. The average bet size has also fallen by 22.0% from A\$699 to A\$546.

The relaxation of Australian advertising regulation has benefited the internet based business with active customer numbers up 47.1% and the Amount Wagered also up 46.8% to £63.3m. The number of bets placed rose by 52.4% over the prior year. The number of bets per internet customer increased by 3.6% from an average of 154 bets per quarter to 160 per quarter. The average bet size on the internet was A\$28 (2008 A\$34).

The Group notes the recent reports by the Australian Productivity Commission which supports the recommendation regulation of online casino, poker and games as well as the remit for in-play betting to be expanded within Australia. Given the trends in European betting, such an expansion of the regulated market in Australia would be welcomed.

## **REGULATORY DEVELOPMENTS**

There have been no substantive changes in the regulatory environment since the Group reported its year end results on 7 October 2009.

As previously reported, the Group continues in its discussions with the US Department of Justice to seek clarification of the position of the US Authorities with respect to the Group's previous activities and to determine whether a mutually acceptable resolution is possible. These talks continue and are productive and amicable in their nature. The Board continues to be optimistic of reaching a settlement but has little visibility of the likely timing or quantum.

## **LISTING**

As announced with the Group's year end results on 7 October 2009, the Group is seeking a listing on the Official List of the London Stock Exchange. The listing is expected to take place in the first quarter of 2010 and further information regarding this move will be issued in due course.

## **DIVIDEND**

The Group announced in its year end results on 7 October 2009 that the Group intends to pay a 1.0p dividend on 8 January 2010 to shareholders on the register on 11 December 2009 subject to shareholder approval at the Annual General Meeting to be held on 18 December 2009.

## **CURRENT TRADING AND OUTLOOK**

Trading since the start of the second quarter has remained robust with the additional benefit of Australian margins returning to more normal levels. This solid start gives the Board confidence with regard to the remainder of the financial year.

**Sportingbet Plc**  
**Unaudited Consolidated Income Statement**  
**3 months ended 31 October 2009**

	Notes	<b>3 months to 31 October 2009 £m</b>	3 months to 31 October 2008 £m Restated
Amounts wagered	4	<b>463.2</b>	362.2
<b>Net gaming revenue</b>	3, 4	<b>48.6</b>	38.6
Administrative expenses excluding exceptional items, share option charge and amortisation of other intangible assets		<b>(41.5)</b>	(32.1)
Group operating profit before exceptional items, share option charge and amortisation of other intangible assets		<b>7.1</b>	6.5
Other administrative expenses:			
• Exceptional items		-	-
• Share option charge	5	<b>(0.3)</b>	(0.9)
• Amortisation of other intangible assets		<b>(0.5)</b>	(0.4)
<b>Total administrative expenses</b>		<b>(42.3)</b>	(33.4)
<b>Group operating profit</b>		<b>6.3</b>	5.2
Finance income		<b>0.2</b>	0.2
Finance costs		-	(0.1)
<b>Profit before taxation</b>		<b>6.5</b>	5.3
Taxation		<b>(0.4)</b>	(1.0)
<b>Profit for the period</b>		<b>6.1</b>	4.3
Loss from discontinued operations	2	-	(0.4)
<b>Profit for the period</b>		<b>6.1</b>	3.9
<b>Profit attributable to the equity holders of the parent</b>		<b>6.1</b>	3.9
<b>Profit per ordinary share – continuing operations</b>	6		
Basic		<b>1.3p</b>	0.9p
Diluted		<b>1.2p</b>	0.8p
<b>Profit per ordinary share</b>	6		
Basic		<b>1.3p</b>	0.8p
Diluted		<b>1.2p</b>	0.7p

**Sportingbet Plc**  
**Unaudited Consolidated Statement of Recognised Income and Expense**  
**3 months ended 31 October 2009**

	<b>3 months ended 31 October 2009 £m</b>	3 months ended 31 October 2008 £m
<b>Profit for the period</b>	<b>6.1</b>	3.9
Amounts initially recycled to equity under designated cash flow hedges	<b>0.3</b>	-
Amounts recycled to the income statement to match the hedged items	<b>0.2</b>	-
Exchange differences on translation of foreign operations	<b>0.9</b>	(0.6)
<b>Total recognised income and expense for the period</b>	<b>7.5</b>	<b>3.3</b>
Attributable to: Equity holders of the parent	<b>7.5</b>	<b>3.3</b>

**Sportingbet Plc**  
**Consolidated Balance Sheet**  
**As at 31 October 2009**

	Notes	As at 31 October 2009 Unaudited £m	As at 31 October 2008 Unaudited £m	As at 31 July 2009 Audited £m
<b>Non-current assets</b>				
Goodwill		41.4	52.0	41.2
Other intangible assets		17.0	15.0	15.9
Property, plant and equipment	7	25.5	20.5	21.9
Non-current receivables		-	0.5	-
Deferred tax asset		1.6	0.7	1.4
		<b>85.5</b>	<b>88.7</b>	<b>80.4</b>
<b>Current assets</b>				
Trade and other receivables		18.2	6.1	13.4
Cash and cash equivalents		48.6	41.8	44.3
Derivatives		0.5	-	0.7
		<b>67.3</b>	<b>47.9</b>	<b>58.4</b>
<b>Current liabilities</b>				
Trade and other payables		(45.6)	(41.5)	(41.0)
Interest bearing loans and borrowings		(7.3)	(5.6)	(4.0)
Contingent consideration		-	(3.4)	(0.5)
		<b>(52.9)</b>	<b>(50.5)</b>	<b>(45.5)</b>
<b>Net current assets/(liabilities)</b>		<b>14.4</b>	<b>(2.6)</b>	<b>12.9</b>
<b>Non-current liabilities</b>				
Long-term provisions		(0.1)	(0.1)	(0.1)
		<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>
<b>Net assets</b>		<b>99.8</b>	<b>86.0</b>	<b>93.2</b>
<b>Equity</b>				
Issued share capital	6	0.5	0.5	0.5
Shares to be issued		-	8.0	-
Share premium		59.4	56.8	59.4
Own shares		-	(2.1)	-
Retained earnings		39.0	24.9	33.3
Foreign exchange reserve		0.9	(2.1)	-
<b>Total equity</b>		<b>99.8</b>	<b>86.0</b>	<b>93.2</b>

**Sportingbet Plc**  
**Unaudited Consolidated Statement of Changes in Equity**  
**3 months ended 31 October 2009**

	Issued share capital £m	Share premium account £m	Shares to be issued £m	Own Share £m	Profit and loss account £m	Foreign exchange reserve £m	Total £m
<b>As at 1 August 2008</b>	<b>0.5</b>	<b>56.3</b>	<b>9.0</b>	-	<b>20.1</b>	<b>(1.5)</b>	<b>84.4</b>
Acquisitions	-	3.1	(9.0)	-	-	-	(5.9)
Share option charge	-	-	-	-	3.1	-	3.1
Profit for the year	-	-	-	-	12.4	-	12.4
Purchase of own shares	-	-	-	(3.0)	-	-	(3.0)
Issue of shares in lieu of options	-	-	-	3.0	(3.0)	-	-
Hedging reserve	-	-	-	-	0.7	-	0.7
Foreign currency exchange	-	-	-	-	-	1.5	1.5
<b>As at 1 August 2009</b>	<b>0.5</b>	<b>59.4</b>	-	-	<b>33.3</b>	-	<b>93.2</b>
Share option charge	-	-	-	-	0.3	-	0.3
Profit for the year	-	-	-	-	6.1	-	6.1
Hedging reserve	-	-	-	-	(0.7)	-	(0.7)
Foreign currency exchange	-	-	-	-	-	0.9	0.9
<b>As at 31 October 2009</b>	<b>0.5</b>	<b>59.4</b>	-	-	<b>39.0</b>	<b>0.9</b>	<b>99.8</b>

**Sportingbet Plc**  
**Unaudited Consolidated Cash Flow Statement**  
**3 Months ended 31 October 2009**

	Notes	<b>3 months ended 31 October 2009 £m</b>	3 months ended 31 October 2008 £m
<b>Group profit/(loss) after taxation</b>		<b>6.1</b>	3.9
Depreciation		1.2	1.4
Software amortisation		1.4	0.5
Other amortisation		0.5	0.4
Bad debt provision movement		-	0.9
Share option charge	5	0.3	0.9
Finance income		(0.2)	(0.1)
Taxation		0.4	1.0
<b>Operating cash flows before movements in working capital</b>		<b>9.7</b>	8.9
(Increase)/ decrease in receivables		(6.4)	0.5
Increase/ (decrease) in payables		5.8	(10.8)
<b>Cash generated by operations</b>		<b>9.1</b>	(1.4)
Income tax paid		(0.8)	(1.5)
<b>Net cash from operating activities</b>		<b>8.3</b>	(2.9)
Purchases of property, plant and equipment	7	(4.8)	(1.0)
Purchases of software		(2.6)	(0.5)
Acquisitions		(0.5)	(1.1)
Interest received		0.2	0.1
<b>Cash used in investing activities</b>		<b>(7.7)</b>	(2.5)
Purchase of own shares		-	(2.3)
Obligations under finance leases		3.3	-
Repayment of borrowings		-	-
<b>Net cash from financing activities</b>		<b>3.3</b>	(2.3)
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b>3.9</b>	(7.7)
<b>Cash and cash equivalents at beginning of period</b>		<b>44.3</b>	49.4
Effect of foreign exchange rate changes		0.4	0.1
<b>Cash and cash equivalents at end of period</b>		<b>48.6</b>	41.8

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information**  
**3 Months Ended 31 October 2009**

**1. Accounting policies**

**Basis of preparation**

The accounting policies adopted are consistent with those of the annual financial statements for the year ended July 31, 2009, as described in those financial statements, with the exception of the following new standards, which have become mandatory for the first time for the year ending July 31, 2010:

The adoption of IAS 1 (revised) has required the reconciliation of movements in equity, previously disclosed in note 21 in the financial statements for the year ended July 31, 2009, to be presented as a primary statement entitled 'Unaudited Consolidated Statement of Changes in Equity'. In addition, the Consolidated Statement of Recognised Income and Expense has been replaced with the Consolidated Statement of Comprehensive Income.

IFRS 8 "Operating Segments", Amendment to IAS 23 "Borrowing costs" and Amendment to IFRS 2 "Share based payments" are effective for annual periods beginning on or after January 1, 2009.

**2. Discontinued operations**

On 21 July 2009, the Group's licensed Italian operation, Sportingbet Italia S.p.A., was sold to the local management team for a nominal consideration. Sportingbet Italia S.p.A. was acquired by the Group in May 2006, in anticipation of expected further liberalisation of the Italian online gaming regulation. This did not materialise and consequently Sportingbet Italia S.p.A. has been loss making since acquisition.

Whilst these losses have been reduced to the minimum considered achievable the Board has concluded that significant financial and managerial investment would be required to generate a profitable business in Italy and such investment would be better placed elsewhere in the Group's portfolio.

	<b>3 months ended 31 October 2009 £m</b>	3 months ended 31 October 2008 £m
<b>Amounts wagered</b>	-	2.7
<b>Net gaming revenue</b>	-	0.3
Administrative expenses	-	(0.7)
<b>Operating loss</b>	-	(0.4)
Taxation	-	-
<b>Loss for the period from discontinued operations</b>	-	(0.4)

**Sportingbet Plc**  
**Notes to the Financial Information**  
**3 Months Ended 31 October 2009**

**2. Discontinued operations (continued)**

	<b>3 months ended 31 October 2009 £m</b>	3 months ended 31 October 2008 £m
<b>Loss after taxation</b>	-	(0.4)
Depreciation	-	-
Bad debt provision movement	-	0.3
Finance income	-	-
<b>Operating cash flows before movements in working capital</b>	-	(0.1)
Decrease/(increase) in receivables	-	-
(Decrease)/increase in payables	-	(0.3)
<b>Cash generated by operations</b>	-	(0.4)
<b>Net cash from operating activities</b>	-	(0.4)
Purchases of property, plant and equipment	-	0.5
Interest received	-	-
<b>Cash used in investing activities</b>	-	0.5
<b>Net cash from financing activities</b>	-	-
<b>Net decrease in cash and cash equivalents in the period</b>	-	0.1
<b>Cash and cash equivalents at beginning of period</b>	-	1.1
<b>Cash and cash equivalents at end of period</b>	-	1.2

**3. Net gaming revenue**

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

	<b>Total 2009 £m</b>	Total 2008 £m
Gaming revenue	<b>53.4</b>	42.2
Promotional bonuses	<b>(4.8)</b>	(3.6)
	<b>48.6</b>	38.6

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**3 Months Ended 31 October 2009**

**4. Primary and secondary segmental information**

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

The following table presents revenue and profit information and certain asset and liability information regarding the Group's business segments for the period to 31 October 2009 and 31 October 2008.

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

2009	Europe £m	Australia £m	Emerging Markets £m	Unallocated central costs £m	<b>Continuing operations</b>  <b>Total £m</b>	<i>Discontinued operations</i>  <b>Total £m</b>
Amounts wagered	267.3	184.1	11.8	-	<b>463.2</b>	-
Net gaming revenue	41.2	6.1	1.3	-	<b>48.6</b>	-
Depreciation	(2.3)	(0.2)	-	(0.1)	<b>(2.6)</b>	-
Administrative expenses excluding exceptional items, share option charge and other amortisation	(28.8)	(5.3)	(1.4)	(3.4)	<b>(38.9)</b>	-
Group operating profit/ (loss) before exceptional items, share option charge and other amortisation	10.1	0.6	(0.1)	(3.5)	<b>7.1</b>	-
Other administrative expenses:						
> Exceptional items	-	-	-	-	-	-
> Share option charge	(0.1)	(0.1)	-	(0.1)	<b>(0.3)</b>	-
> Other amortisation	(0.5)	-	-	-	<b>(0.5)</b>	-
Total administrative expenses	(31.7)	(5.6)	(1.4)	(3.6)	<b>(42.3)</b>	-
Operating profit/(loss)	9.5	0.5	(0.1)	(3.6)	<b>6.3</b>	-
<b>Balance sheet information</b>						
Total assets	132.2	20.6	-	-	<b>152.8</b>	-
Total liabilities	(41.0)	(11.5)	-	-	<b>(52.5)</b>	-
Expenditure incurred to acquire property, plant and equipment and intangible assets	7.1	0.3	-	-	<b>7.4</b>	-

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**3 Months Ended 31 October 2009**

**4. Primary and secondary segmental information (continued)**

For segmental information by activity, revenue is attributed to three principal areas of activity: sports betting, casino gaming and poker.

<b>2009</b>	Sports betting £m	Casino gaming £m	Poker rake £m	<b>Total £m</b>
Amounts wagered	451.3	11.7	5.0	<b>468.0</b>
Promotional bonuses	(3.4)	(0.6)	(0.8)	<b>(4.8)</b>
Net amounts wagered	447.9	11.1	4.2	<b>463.2</b>
Gaming revenue	36.7	11.7	5.0	<b>53.4</b>
Promotional bonuses	(3.4)	(0.6)	(0.8)	<b>(4.8)</b>
Net gaming revenue	33.3	11.1	4.2	<b>48.6</b>

<b>2008</b>	Europe £m	Australia £m	Emerging Markets £m	Unallocated central costs £m	<b>Continuing operations Total £m</b>	<i>Discontinued operations Total £m</i>
Amounts wagered	198.7	157.0	6.5	-	<b>362.2</b>	2.7
Net gaming revenue	30.9	6.9	0.8	-	<b>38.6</b>	0.3
Depreciation	(1.6)	(0.1)	-	(0.1)	<b>(1.8)</b>	-
Administrative expenses excluding exceptional items, share option charge and other amortisation	(23.9)	(4.2)	(0.7)	(1.5)	<b>(30.3)</b>	(0.7)
Group operating profit/ (loss) before exceptional items, share option charge and other amortisation	5.4	2.6	0.1	(1.6)	<b>6.5</b>	(0.4)
Other administrative expenses:						
> Exceptional items	-	-	-	-	-	-
> Share option charge	(0.5)	(0.1)	-	(0.3)	<b>(0.9)</b>	-
> Other amortisation	(0.4)	-	-	-	<b>(0.4)</b>	-
Total administrative expenses	(26.4)	(4.4)	(0.7)	(1.9)	<b>(33.4)</b>	(0.7)
Operating profit/(loss)	4.5	2.5	0.1	(1.9)	<b>5.2</b>	(0.4)
<b>Balance sheet information</b>						
Total assets	124.1	12.5	-	-	<b>136.6</b>	-
Total liabilities	(42.7)	(7.9)	-	-	<b>(50.6)</b>	-
Expenditure incurred to acquire property, plant and equipment and intangible assets	1.3	0.2	-	-	<b>1.5</b>	-

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**3 Months Ended 31 October 2009**

**4. Primary and secondary segmental information (continued)**

For segmental information by activity, revenue is attributed to three principal areas of activity: sports betting, casino gaming and poker.

<b>2008</b>	Sports betting £m	Casino gaming £m	Poker rake £m	<b>Total £m</b>
Amounts wagered	350.5	10.2	5.1	<b>365.8</b>
Promotional bonuses	(2.6)	(0.3)	(0.7)	<b>(3.6)</b>
<b>Net amounts wagered</b>	<b>347.9</b>	<b>9.9</b>	<b>4.4</b>	<b>362.2</b>
Gaming revenue	26.9	10.2	5.1	<b>42.2</b>
Promotional bonuses	(2.6)	(0.3)	(0.7)	<b>(3.6)</b>
<b>Net gaming revenue</b>	<b>24.3</b>	<b>9.9</b>	<b>4.4</b>	<b>38.6</b>

**5. Share option charge**

	<b>Total 2009 £m</b>	Total 2008 £m
Share option charge	<b>0.3</b>	0.9
	<b>0.3</b>	0.9

**Sportingbet Plc**  
**Unaudited Notes to the Financial Information (Continued)**  
**3 Months Ended 31 October 2009**

**6. Earnings per share**

	<b>2009</b>	Continuing 2008	Discontinued 2008	Total 2008
<b>Profit/(loss) per ordinary share</b>				
Basic	<b>1.3p</b>	0.9p	(0.1)p	0.8p
Diluted	<b>1.2p</b>	0.8p	(0.1)p	0.7p
<b>Adjusted earnings per ordinary share (before exceptional items, share option charge and amortisation)</b>				
Basic	<b>1.4p</b>	1.2p	(0.1)p	1.1p
Diluted	<b>1.3p</b>	1.1p	(0.1)p	1.0p

The calculation of basic earnings per share is based on the profit/(loss) 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>2009</b>	Continuing 2008	Discontinued 2008	Total 2008
	<b>£m</b>	£m	£m	£m
Basic earnings	<b>6.1</b>	4.3	(0.4)	3.9
Exceptional items	-	-	-	-
Share option charge	<b>0.3</b>	0.9	-	0.9
Amortisation	<b>0.5</b>	0.4	-	0.4
Adjusted earnings	<b>6.9</b>	5.6	(0.4)	5.2

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

	<b>2009 No.</b>	2008 No.
Weighted average number of shares in issue	<b>484,165,163</b>	472,101,332
Employee share schemes	<b>36,495,579</b>	37,435,735
Contingent consideration	<b>1,735,175</b>	20,355,934
Fully diluted number of weighted average number of shares in issue	<b>522,395,917</b>	529,893,001

**Sportingbet Plc**  
**Notes to the Financial Information (Continued)**  
**Year Ended 31 July 2009**

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

As at 31 October 2009 the Group had the following shares in issue and potentially dilutive shares:

	<b>2009</b>	2008
	<b>No.</b>	No.
Number of shares in issue	<b>484,173,257</b>	468,335,340
Employee share schemes	<b>36,495,579</b>	37,435,735
Contingent consideration	<b>1,735,175</b>	20,355,934
Fully diluted number of shares in issue	<b>522,404,011</b>	526,127,009

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

Additions to property, plant and equipment and software were £4.8m and £2.6m respectively during the quarter (2008: £1.0m and £0.5m), relating primarily to the purchase of one residential property in Guernsey and IT projects.