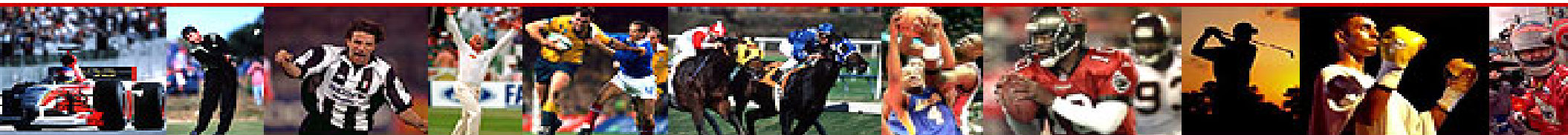


sportingbet.com ***GLOBAL SPORTSBOOK***



Mark Blandford - Chief Executive
Nigel Payne - Finance Director

REVIEW OF THE 12 MONTHS TO 31 MARCH 2001

June 2001



Introduction

	• MARCH 2000	• MARCH 2001
● Time Zones	1	3
● Countries	22	104
● Currencies	7	24
● Languages	2	6
● Customers	11,500	90,000
● Bets per month	25,000	600,000



Objectives furthered

- To become **the No1 Global Sportsbook** via own label and branded products.
 - Scale materially increased.
 - Toolkit proven.
 - Substantial growth opportunities remain
- To be regarded as the **premier** international online brand
 - brand recognition materially increased particularly after admission to AiM in January 2001



Sportingbet locations

- **Alderney**
 - 5 year licence serving EMEA
- **Costa Rica**
 - Branch office of Alderney serves AMER
- **Vanuatu**
 - 5 year licence serving AA
- **UK**
 - UK licence to exploit onshore opportunities
- **Curacao**
 - casino and sports betting licence



The Global Market

- **The global online gambling market is huge and growing fast**
 - US and Europe : \$50bn (2001) to \$123bn (2004)
 - Asian market is at least as large
 - Australian market very substantial

- **Key drivers**
 - Internet and new media penetration
 - Migration of telephone betters
 - Increasing frequency of live televised sports
 - Demand from unregulated markets



The Market - Barriers to entry

- **Few, if any, global players. Competitors increasingly focusing on local markets providing opportunities for Sportingbet.**
- **Significant barriers to entry to building a global business**
 - legal restrictions – the *UK* opportunity confirmed
 - scalable technical infrastructure proven to be a large barrier
 - multi-currency capability
 - product offering needs to cover international sports/bet types
 - development of a global brand
 - attracting global internet traffic



The Sportingbet Markets

AMER

Active

- USA
- Canada

Development

- Mexico
- Argentina

EMEA

Active

- UK
- Turkey

Development

- Scandinavia
- Italy
- Spain
- Germany

AA

Active

- Hong Kong, Thailand
- Singapore, Malaysia
- Australia
- Japan
- Taiwan

-Development

- Korea
- China



Business development strategy

● Acquisitions

- Proven and cost effective means of growth, easily integrated
- Acquisition of Betmaker and Number One Betting Shop
- Straight forward integration

● Marketing activity

- Strategic partners : Singinvests, Ozmosa
- Partners programme decreasing in traffic generation
- Brand building

● Product offering

- Website including leveraging content
- New languages (Chinese, Spanish, Turkish, Japanese)



The Legal Environment

- Regulation of the Internet is still in its infancy and legislation is often unclear and not designed or relevant to transactions over this media
- Governments increasingly taking the regulatory route
- Evidence of a softening of position in USA.
- Australian legislation working in Company's favour.
- Company's legal structure is serving it well.



Financial Summary

	12 months ended 31 March 2001 £'000s	12 months ended 31 March 2000 £'000s
Fixed Assets	2,590,607	742,100
Goodwill	33,996,814	-
	36,587,421	742,100
CURRENT ASSETS		
Debtors	7,004,900	513,300
Cash at bank and in hand	12,083,348	6,167,445
	<hr/>	<hr/>
Creditors due within one year	11,807,190	1,871,450
NET CURRENT ASSETS (LIABILITES)	<hr/> 7,281,058	<hr/> 4,809,295
TOTAL ASSETS LESS CURRENT LIABILITIES	43,868,479	5,551,395
CREDITORS		
Amounts falling due after more than one year	2,896,552	-
Loan note	6,530,000	-
Provision for liabilities and charges	35,000	-
NET ASSETS	34,406,927	5,446,395
CAPITAL	<hr/> 44,613,153	<hr/> 11,452,338
Profit and loss account	(10,206,226)	(6,005,943)
EQUITY SHAREHOLDERS' FUND (DEFICIT)	<hr/> 34,406,927	<hr/> 5,446,395



Key Performance Indicators

- **Customers up by 78,668 :**

Period End	Customer Numbers	Organic Growth
March 2000	11,397	
September 2000	50,593	16,196
March 2001	90,065	20,807

- **Customer activity increased by 1%**

Region	March 2000	March 2001
AMER	18%	21%
EMEA	25%	28%
AA	30%	25%



Key Performance Indicators (Cont'd)

● Customer Spend up but with controlled risk

	March 2000	March 2001
A M E R *	£21,000	£22,000
E M E A	£4,600	£5,100
A A	£21,000	£28,000

* Casino spend per head has fallen

● Gross Margin up

	March 2000 Sports	March 2001 Sports
A M E R	3.5 %	6.5 %
E M E A	3.5 %	4.5 %
A A	2.0 %	4.8 %



Key Performance Indicators (Cont'd)

- **Cost of Customer Acquisition (per active customer)**

	M a r c h 2 0 0 0	M a r c h 2 0 0 1
A M E R	£ 5 4 0	£ 6 1 0
E M E A	£ 4 5 0	£ 4 2 0
A A	£ 6 2 0	£ 6 2 5



Summary

- **Significant global market opportunity**
- **Sportingbet's business model is simple and purpose designed**
- **Sportingbet has :**
 - Brand - generic, credible, and global
 - Licence – British and regulated
 - Access – to capital, multi-currency
 - Software – In-house and flexible to meet requirements
 - Trust – Reputation of British bookmaker.

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Thank you