



Nigel Payne – Group Chief Executive
Andy McIver – Group Finance Director

REVIEW OF THE NINE MONTHS ENDED 31 DECEMBER 2002

JANUARY 2003

3 Months to 31 December 2002: Summary

- Turnover of £354.3m – up 0.5% from £352.5m last year.
- Gross profit of £26.5m – up 13% from £23.5m last year.
- Operating profit of £8.3m – up 9% from £7.6m last year.
- Cash inflow from trading activities of £6.6m – inflow of £0.3m last year.
- PBT of £5.6m – up 17% from £4.8m last year.
- Customers up 84,725 to 837,431.
- Business took 92,000 bets per day throughout the quarter. Number of bets up 38% over the same period last year.

Profit and Loss

	Q3	Q3	9 mths	9 mths
	2002/03	2001/02	20 02/03	2001/02
	£m	£m	£m	£m
Turnover	354.3	352.5	848.8	645.6
Cost of sales	(327.8)	(329.0)	(794.8)	(607.1)
Gross profit	26.5	23.5	54.0	38.5
Expenses	(18.2)	(15.9)	(43.5)	(30.5)
Operating profit	8.3	7.6	10.5	8.0
Exceptional	-	(0.5)	-	(0.9)
Goodwill	(2.2)	(2.2)	(7.2)	(3.6)
Interest	(0.5)	(0.1)	(1.5)	(0.3)
Profit before tax	5.6	4.8	1.8	3.2
Tax	-	-	(0.1)	-
Profit after tax	5.6	4.8	1.7	3.2

Turnover by Region

	Q3 2002/03	Q3 2001/02	9 mths 2002/03	9 mths 2001/02
	£m	£m	£m	£m
AMER	254.3	231.9	573.9	366.2
EMEA	50.2	27.6	112.1	56.3
AA	49.8	93.0	162.8	223.1
	354.3	352.5	848.8	645.6

Turnover by region (Like for Like)

	Q3 2002/03	Q3 2001/02	Variance %
	£m	£m	
AMER *1	275.1	231.9	18.6%
EMEA *2	37.3	27.6	35.1%
AA	49.8	93.0	(46.5)%
	362.2	352.5	2.8%

*1 AMER has been retranslated using the US\$ average exchange rate for Q3 2001 of 1.453 (compared to \$1.572 for Q3 2002)

*2 EMEA region excludes Sporting Odds which contributed turnover of £12.9m

Turnover by Activity

	Q3 2002/03	Q3 2001/02	<i>Underlying Change</i>	9 mths 2002/03	9 mths 2001/02
	£m	£m		£m	£m
Sports	289.9	309.6	<i>(4.9)%</i>	706.0	560.2
Casino	59.7	39.1	<i>60.1%</i>	131.1	79.4
Fee Income	4.7	3.8	<i>35.8%</i>	11.7	6.0
	354.3	352.5	<i>2.8%</i>	848.8	645.6

Gross Margin by Activity

	3 mths to 31 Dec 2002		3 mths to 31 Dec 2001		9 mths to 31 Dec 2002		9 mths to 31 Dec 2001	
	£m	%	£m	%	£m	%	£m	%
Sports	20.4	7.0%	18.9	6.1%	39.6	5.6%	30.7	5.5%
Casino	1.4	2.3%	0.8	2.0%	2.7	2.1%	1.8	2.3%
Fees	4.7	100%	3.8	100%	11.7	100%	6.0	100%
	26.5		23.5		54.0		38.5	
Percentage of Turnover	7.5%		6.7%		6.4%		6.0%	

Operating Costs

	Q3 2002 / 03		Q3 2001 / 02		9 mths 2002 / 03		9 mths 2001 / 02	
	£m		£m		£m		£m	
Marketing	4.1	1.14%	3.9	1.10%	9.5	1.11%	7.3	1.13%
I.T.	3.1	0.89%	2.7	0.77%	6.8	0.81%	4.7	0.73%
Banking	4.9	1.37%	3.6	1.01%	10.0	1.18%	6.0	0.93%
Employees	2.7	0.76%	2.5	0.71%	8.3	0.98%	4.3	0.66%
Depreciation	0.3	0.09%	0.3	0.08%	1.1	0.13%	0.9	0.14%
Other admin	3.1	0.87%	2.9	0.83%	7.8	0.92%	7.3	1.13%
	18.2		15.9		43.5		30.5	
<i>Percentage of turnover</i>	5.1%		4.5%		5.1%		4.7%	

EPS

	Q3 2002/03	Constant Exchange	Q3 2001/02
Basic:			
Eps	3.5	4.0	3.2
Pre goodwill and exceptionals	4.9	5.4	4.9
EBITDA	5.5	6.0	5.1

Balance Sheet

	Q3 2002/03	Q3 2001/02	Yr End 2001/02
	£m	£m	£m
Goodwill	156.7	158.1	184.2
Tangible assets	3.7	2.8	3.1
Investments	0.5	-	-
	160.9	160.9	187.3
Debtors	7.2	5.8	7.5
Cash	23.2	20.4	21.4
Creditors falling due within one year	(20.3)	(16.9)	(23.5)
	10.1	9.3	5.4
Creditors due after more than one year	(46.7)	(50.9)	(48.3)
Loan notes	(15.5)	(13.6)	(13.5)
NET ASSETS	108.8	105.7	130.9
Share capital	0.2	0.2	0.2
Shares to be issued	48.0	63.8	87.6
Share premium	59.2	48.4	43.2
Other reserves	5.1	0.3	5.1
Profit and loss	(3.7)	(7.0)	(5.2)
SHAREHOLDERS' FUNDS	108.8	105.7	130.9

Cash Flow – Q3

	£m	£m
Opening Cash		19.6
EBITDA	8.6	
Interest	(0.3)	
Working Capital Movements	(2.0)	
	<hr/>	6.3
Capital Expenditure	(0.2)	
Acquisitions	(2.5)	
Financing	-	
	<hr/>	(3.6)
		<hr/>
Closing Cash		23.2

Review of AMER - 1

	Dec 2002	Dec 2001
Customer Numbers	605,786	552,939 <i>(at Sept 2002)</i>
Organic Growth	52,847	47,678
Acquired through acquisition	0	0
Number of bets	6,824,451	5,641,135
Average Activity rate	17%	18%
Cost per acquisition (active)	£435	£720
Spend per head	£5,603	£6,335
Margin % sports	7.9%	7.2%
Margin % casino	2.2%	2.2%

Review of AMER - 2

- Strong performance at every level.
- Our best ever set of results.
- Exchange rate impact significant on P/L though no effect on cash.
- Improved banking infrastructure. More work still to do.
- No formal change in regulation.
- Lots of activity in forthcoming Congress likely.
- Encouraging participation at State level.

Review of EMEA - 1

	Dec 2002	Dec 2001
Customer Numbers	198,358	167,443 <i>(at Sept 2002)</i>
Organic Growth	30,915	5,694
Acquired through acquisition	0	0
Number of bets	1,345,747	302,366
Average Activity rate	19%	18%
Cost per acquisition (active)	£89	£467
Spend per head	£1,330	£1,673
Margin % sports	6.3%	4.0%
Margin % casino	2.4%	2.1%

Review of EMEA - 2

- Strong performance relative to last year.
- Our best ever set of results.
- Business exceeding expectation. Has turned the corner.
- Profitable in October 2002, 5 months ahead of plan.
- New markets doing very well.
- Wider product portfolio enhancing margin.
- Integration of Sporting Odds complete.

Review of AA

	Dec 2002	Dec 2001
Customer Numbers (Q3 Vs Q2)	33,287	32,324 <i>(at Sept 2002)</i>
Organic Growth	963	2,913
Acquired through acquisition	0	0
Number of bets	284,401	203,613
Average Activity rate	15%	18%
Cost per acquisition (active)	£592	£760
Spend per head	£12,975	£29,137
Margin % sports	3.7%	4.9%
Margin % casino	2.1%	2.1%

Review of AA -2

- Disappointing quarter, though profitable.
- Exit from wholesale and high roller affected turnover by £40m.
- Retail growth in Asia too low. Growth strategy in place.
- Industry wide margin pressure in Australian horse racing.
- New Australian Internet product to be launched in April.
- No result on court case.

Summary

- Quarter in line with expectation.
- Highest ever margin % on sports at 7%.
- KPI's very strong in AMER, EMEA. More work to do in AA.
- Exchange rates issues continue. Impacted profits by £1.0 million year on year.
- Bank costs improving. More work to do in Q4
- Board looks forward to the future with confidence.

Global Sportsbook & Casino
sportingbet Plc



Thank you