



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

**REVIEW OF THE THREE MONTHS ENDED 30 JUNE 2003**

**JULY 2003**

## 3 Months to 30 June 2003: Summary

- Turnover of £256.0 – up 3% from £248.1 last year.
- Gross profit of £14.1m – up 6% from £13.3m last year.
- Operating profit of £1.4 million – £1.4m last year.
- Cash inflow from trading activities of £1.7m – inflow of £1.7m last year.
- Loss before Tax of £0.9m – loss of £1.5m last year.
- Customers up 97,007 to 979,972.
- Number of sports bets placed up 1.32m to 5.0m
- 3 months to 30 June 2002 contained the World Cup

## Profit and Loss

	Q1 2002/03	Q1 2001/02
	£m	£m
Turnover	<b>256.0</b>	248.1
Cost of sales	<b>(241.9)</b>	(234.8)
Gross profit	<b>14.1</b>	13.3
Expenses	<b>(12.7)</b>	(11.9)
Operating profit	<b>1.4</b>	1.4
Exceptionals	-	-
Goodwill	<b>(1.7)</b>	(2.4)
Interest	<b>(0.6)</b>	(0.5)
Profit before tax	<b>(0.9)</b>	(1.5)
Tax	-	(0.1)
Profit after tax	<b>(0.9)</b>	(1.6)

## Turnover by Region

	<b>Q1 2003</b>	<b>Q1(Like for Like) 2003</b>	Q1 2002	Q1 (restated) 2002	% Change
	<b>£m</b>	£m	£m	£m	
AMER	<b>129.9</b>	<b>143.8</b>	158.6	154.1	(6.7)
AA	<b>54.1</b>	<b>51.6</b>	65.6	55.3	(6.7)
EMEA	<b>72.0</b>	<b>48.1</b>	23.9	21.2	126.8
	<b>256.0</b>	<b>243.5</b>	248.1	230.6	5.6

US region has been retranslated using an average exchange rate of \$1.46 compared to actual of \$1.62

AUS region has been retranslated using an average exchange rate of A\$2.66 compared to actual of A\$2.53

EMEA region excludes Sporting Odds

Q1 has been restated to remove the impact of the World Cup.

## Turnover by Activity

	<b>Q1 2003</b>	<b>Q1(Like for Like) 2003</b>	Q1 2002	Q1 (restated) 2002	% Change
	<b>£m</b>	<b>£m</b>	£m	£m	
Sports	<b>193.8</b>	<b>185.5</b>	208.6	191.1	(2.9)
Casino	<b>59.4</b>	<b>54.9</b>	35.4	35.4	55.1
Fee Income	<b>2.8</b>	<b>3.1</b>	4.1	4.1	(24.4)
	<b>256.0</b>	<b>243.5</b>	248.1	230.6	5.6

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## Gross Margin by Activity

	Q1 2003/04	% of T/O	Q1 2002/03	% of T/O
	£m		£m	
Sports	9.4	4.9	8.4	4.0
Casino	1.9	3.2	0.8	2.5
Fees	2.8	100	4.1	100
	<b>14.1</b>	<b>5.5%</b>	<b>13.3</b>	<b>5.4%</b>

## Operating Costs

	Q1 2003 / 04	% of T/O	Q1 2002 / 03	% of T/O
	£m		£m	
<b>Marketing</b>	<b>2.7</b>	<b>1.05%</b>	2.7	1.09%
<b>I.T.</b>	<b>2.0</b>	<b>0.79%</b>	1.7	0.70%
<b>Banking</b>	<b>2.8</b>	<b>1.09%</b>	2.3	0.93%
<b>Employees</b>	<b>2.5</b>	<b>0.98%</b>	2.7	1.09%
<b>Depreciation</b>	<b>0.3</b>	<b>0.12%</b>	0.4	0.16%
<b>Other administrative</b>	<b>2.4</b>	<b>0.94%</b>	2.1	0.85%
	<b>12.7</b>	<b>5.0 %</b>	11.9	4.8%

## EPS

	<b>3 mths to 30 June 2003</b>	3 mths to 30 June 2002
<b>Basic:</b>		
Eps	<b>(0.5)</b>	(1.0)
Pre goodwill and exceptionals	<b>0.5</b>	0.5
EBITDA	<b>0.9</b>	1.1
<b>Fully diluted:</b>		
Eps	<b>(0.3)</b>	(0.9)
Pre goodwill and exceptionals	<b>0.3</b>	0.5
EBITDA	<b>0.6</b>	1.0

## Balance Sheet

	Q1 2002 / 03	Yr End 2002/03	Q1 2002 / 03
	£ m	£ m	£ m
Goodwill	126.3	125.1	181.7
Tangible assets	4.6	4.3	3.2
	<b>130.9</b>	<b>129.4</b>	184.9
Debtors	12.0	9.8	8.8
Cash	14.5	20.1	17.7
Creditors falling due within one year	(15.5)	(18.5)	(18.1)
Convertible loan notes	(9.0)	(9.0)	-
	<b>2.0</b>	<b>2.4</b>	8.4
Amounts falling due after more than one year	(45.5)	(43.4)	(48.5)
Convertible loan notes	-	-	(13.5)
NET ASSETS	<b>87.4</b>	<b>83.4</b>	131.3
Share capital	0.2	0.2	0.2
Shares to be issued	29.5	29.5	87.6
Share premium	48.6	48.6	45.2
Other reserves	13.8	13.8	5.1
Profit and loss	(4.7)	(3.7)	(6.8)
SHAREHOLDERS' FUNDS	<b>87.4</b>	<b>88.4</b>	131.3
Minority Interests	-	-	-
	<b>87.4</b>	<b>88.4</b>	131.3

## Cash Flow

	£m	£m
Opening Cash		20.1
EBITDA	1.7	
Interest	(0.2)	
Working Capital Movements	<u>(5.2)</u>	<b>(3.7)</b>
Capital Expenditure	(0.6)	
Acquisitions	(1.2)	
Financing	<u>(0.1)</u>	<b>(1.9)</b>
Closing Cash		<u>14.5</u>

## Review of AMER Q1 2003/4

	June 2003	June 2002
<b>Customer Numbers</b>	<b>681,222</b>	<b>644,349 (March 03)</b>
<b>Organic Growth (March to June)</b>	<b>36,873</b>	<b>34,791</b>
<b>Acquired through acquisition</b>	<b>-</b>	<b>-</b>
<b>Number of sports bets</b>	<b>3,052,093</b>	<b>3,085,006</b>
<b>Average bet size</b>	<b>\$57</b>	<b>\$60</b>
<b>Sports margin %</b>	<b>5.6%</b>	<b>5.0%</b>
<b>Cost per bet</b>	<b>£2.46</b>	<b>£2.70</b>
<b>Casino and fee income</b>	<b>£3.2m</b>	<b>£3.8m</b>

## Review of EMEA Q1 2003/4

	June 2003	June 2002
<b>Customer Numbers</b>	<b>261,039</b>	<b>201,514 (March 03)</b>
<b>Organic Growth (March to June)</b>	<b>59,525</b>	<b>18,684</b>
<b>Acquired through acquisition</b>	<b>-</b>	<b>-</b>
<b>Number of sports bets</b>	<b>1,705,839</b>	<b>453,134</b>
<b>Average bet size</b>	<b>£20</b>	<b>£26</b>
<b>Sports margin %</b>	<b>5.8%</b>	<b>6.1%</b>
<b>Cost per bet</b>	<b>£1.86</b>	<b>£4.03</b>
<b>Casino and fee income</b>	<b>£1.4m</b>	<b>£0.1m</b>

## Review of AA Q1 2003/4

	June 2003	June 2002
<b>Customer Numbers</b>	<b>37,711</b>	<b>37,108 (March 03)</b>
<b>Organic Growth (March to June)</b>	<b>603</b>	<b>(3,851)</b>
<b>Acquired through acquisition</b>	<b>-</b>	<b>-</b>
<b>Number of sports bets</b>	<b>238,148</b>	<b>136,501</b>
<b>Average bet size</b>	<b>£218</b>	<b>£326</b>
<b>Sports margin %</b>	<b>3.1%</b>	<b>2.8%</b>
<b>Cost per bet</b>	<b>£4.52</b>	<b>£7.64</b>
<b>Casino and fee income</b>	<b>-</b>	<b>-</b>

## Summary

- Solid start to the year.
- Strong growth in KPIs.
- Board looks forward to the future with confidence.

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Thank you

