



sportingbet Plc

Quarter 1 Results

3 Months Ended 31 October 2005

Wednesday 30 November 2005

FINANCIAL HIGHLIGHTS

- Gross margin of £64.6m up 167.0% (2004: £24.2m), up 82.0% on pro-forma basis
- Operating profit of £22.3m up 395.6% (2004: £4.5m), up 75.6% on pro-forma basis
- Profit before tax of £14.3m up 450.0% (2004: £2.6m), up 81.0% on pro-forma basis
- Cash generated from operating activities of £42.1m (2004: £17.5m)
- Fully diluted EPS of 4.9p (2004: 1.5p)

BUSINESS HIGHLIGHTS

- New registered customers up 619% to 0.7m (2004: 0.1m), up 245% on a pro-forma basis
- New active real money customers up 137% to 170,322 (2004: 71,800), up 67% on a pro-forma basis
- Average cost of customer acquisition £148 (2004: full year £137)
- Sports and gaming bets up 43.6% to 123.2m (2004: 85.8m)
- Poker games up 96.2% to 145.6m (2004: 74.2m)
- Average daily poker rake up 87.8% to \$430,858 (2004: \$229,377)





Financial Review

PROFIT AND LOSS

	3 months ended	3 months ended
	Oct 2005	Oct 2004
	£m	£m
Turnover	480.4	355.7
Gross profit	64.6	24.2
Costs	(42.3)	(19.7)
Operating profit	22.3	4.5
Share option charge	(1.5)	-
Goodwill	(5.5)	(1.9)
Associate	-	0.2
Interest	(1.0)	(0.2)
Tax	(0.3)	-
Dividend adjustment	(0.8)	-
Retained profit	13.2	2.6
Basic EPS*	6.2	2.1
Fully diluted EPS*	4.9	1.5

* Before share option charge and goodwill amortisation

OPERATING PROFIT RECONCILIATION

	£m	£m
3 months ended Oct 2004 – operating profit		4.5
Sports volume effect	3.6	
Sports margin effect (6.5% vs. 4.3%)	9.1	
Increased casino / games / fee income	8.3	
Costs (including customer bonuses)	(16.4)	
		4.6
Paradise Poker (rake £22.1m)		12.2
ISC Entertainment (gross margin £1.8m)		1.0
3 months ended Oct 2005 – operating profit		22.3

GROSS MARGIN BY ACTIVITY

	3 months ended October 2005	3 months ended October 2004	% Chg
	£m	£m	
Sports (6.5% vs. 4.3%)	28.0	15.0	86.7%
Casino and gaming	16.3	9.4	73.4%
Poker	25.2	0.9	N/a
Fee income	2.3	1.5	53.3%
	71.8	26.8	167.9%
Customer bonuses	(7.2)	(2.6)	
As reported - £	64.6	24.2	166.9%
Gross Margin - %	13.4%	6.8%	

BALANCE SHEET

		October 2005	October 2004
		£m	£m
FIXED ASSETS	Goodwill and investments	381.3	131.8
	Tangible assets	9.7	5.5
		391.0	137.3
WORKING CAP	Debtors	20.4	7.4
	Cash	85.9	32.5
	Creditors	(74.7)	(38.1)
		31.6	1.8
DEBT	Bank overdraft	-	(10.0)
	Bank loans	(52.9)	(5.0)
	Sportsbook earn-out	-	(15.7)
	Deferred consideration	(2.2)	(3.8)
	Contingent consideration	(26.7)	(0.8)
		340.8	103.8
RESERVES	Share capital	0.3	0.2
	Shares to be issued	53.5	26.7
	Share premium/other	14.8	74.0
	Profit and loss	272.2	2.9
		340.8	103.8

NUMBER OF SHARES

Millions of shares

Shares in issue at 31 July 2005	327.7
Issued to vendors of ISC Entertainment	2.7
Australian contingent consideration issued	6.7
Options exercised	0.5
Shares in issue at 31 October 2005	337.6
DBS convertible (converted 25 November)	83.2
Share options	10.8
New Share Plan	4.1
Fully diluted at 31 October 2005 (FRS 14)	435.7
Paradise Poker contingent consideration	9.8
Adjusted fully diluted	445.5

CASHFLOW

	£m	£m
Opening cash		67.0
EBITDA	21.8	
Interest	(0.2)	
Working capital	20.2	
		41.8
Capital expenditure	(1.9)	
Acquisition of ISC Entertainment	(9.7)	
Australian contingent consideration	(0.9)	
Bank loan repayment	(10.7)	
		(23.2)
Share options exercised		0.3
Closing cash*		85.9

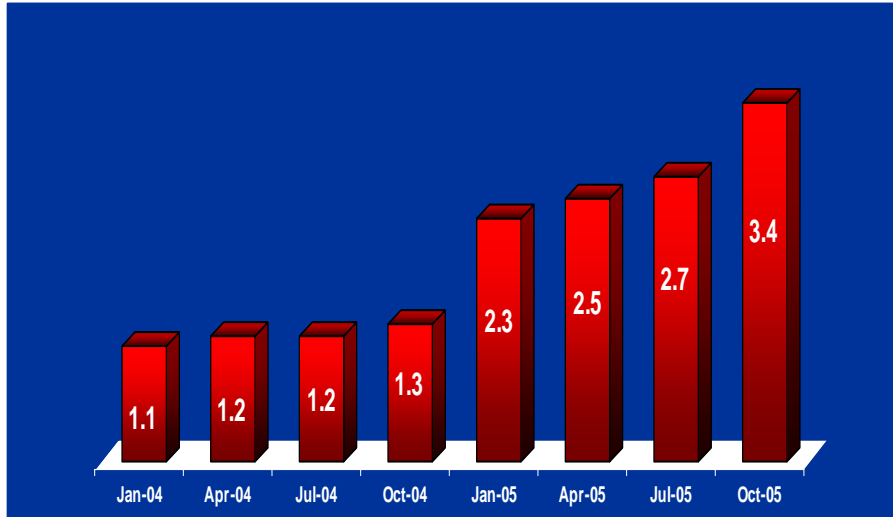
* Includes client liabilities of £46.8m



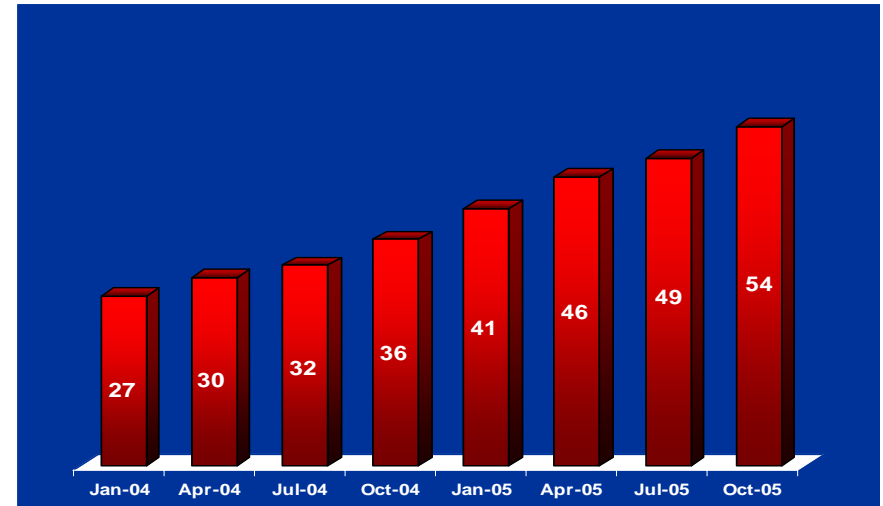
Operational Review

OPERATIONS – VOLUME TRENDS

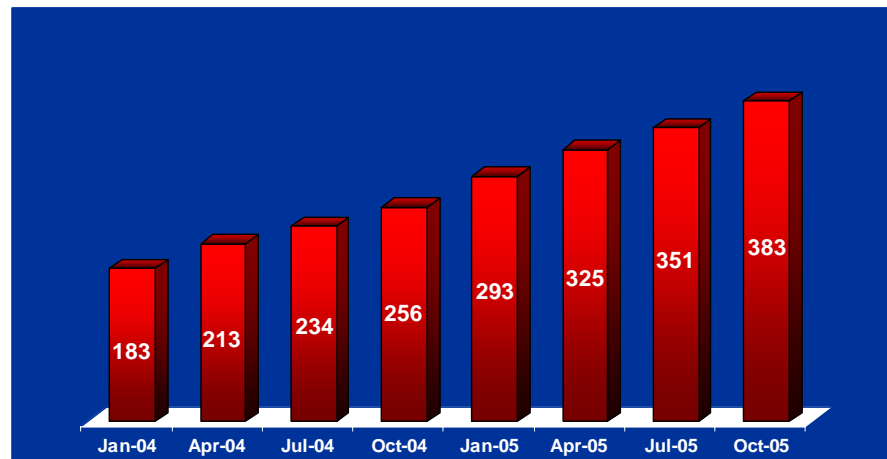
Registered Customers (Ms)



Rolling Annual Sports Bets (Ms)

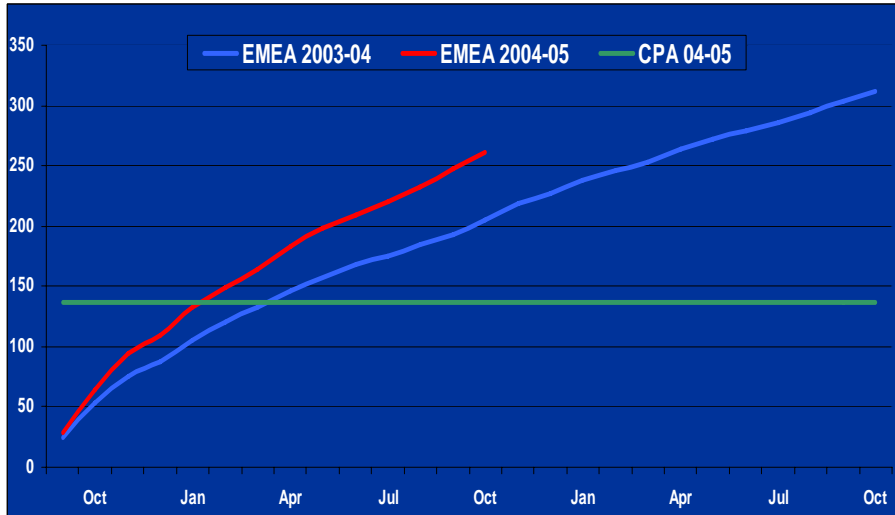


Rolling Annual Gaming Bets (Ms)

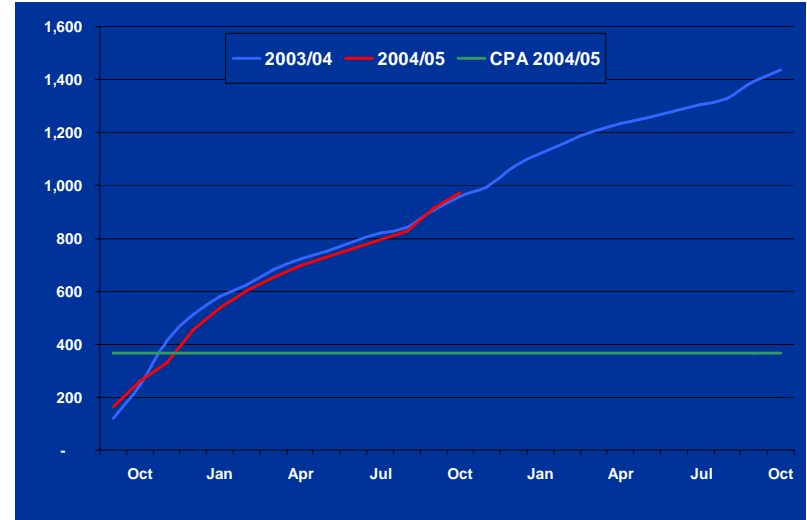


CUSTOMER VALUE

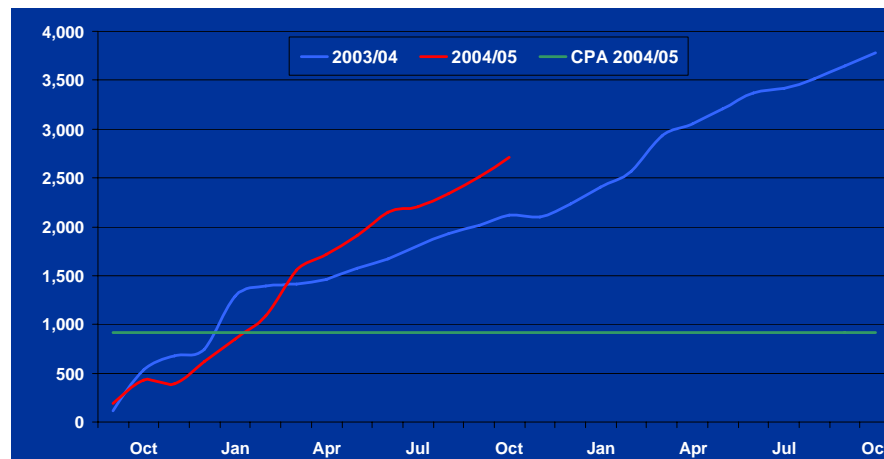
Europe £



US \$

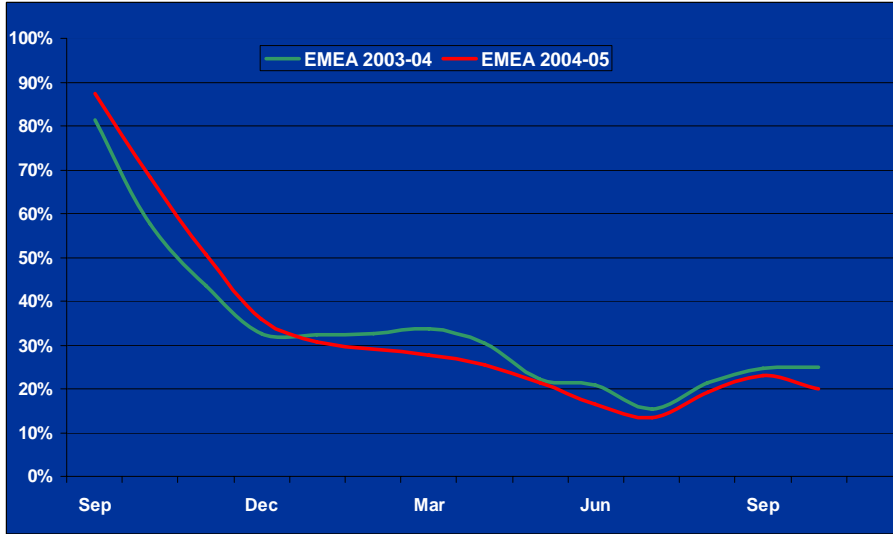


AUS \$

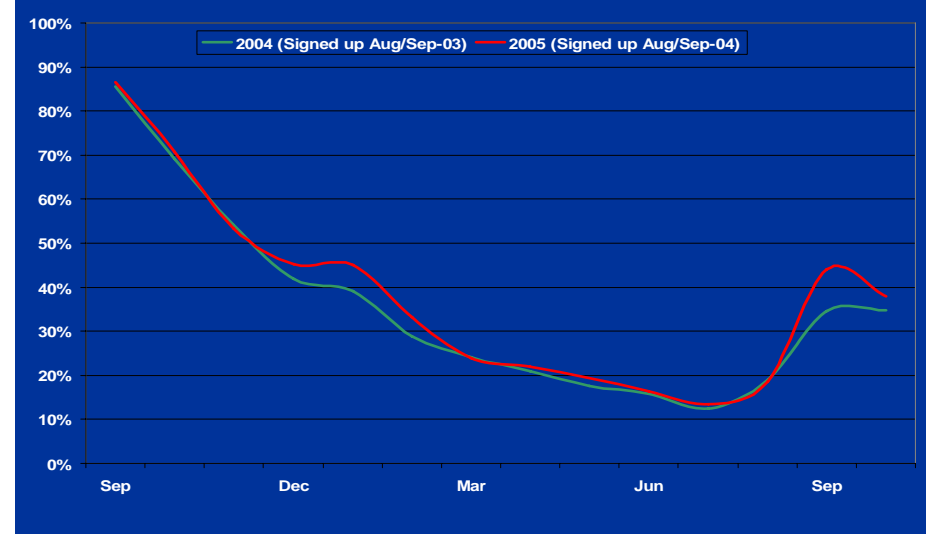


CUSTOMER ATTRITION

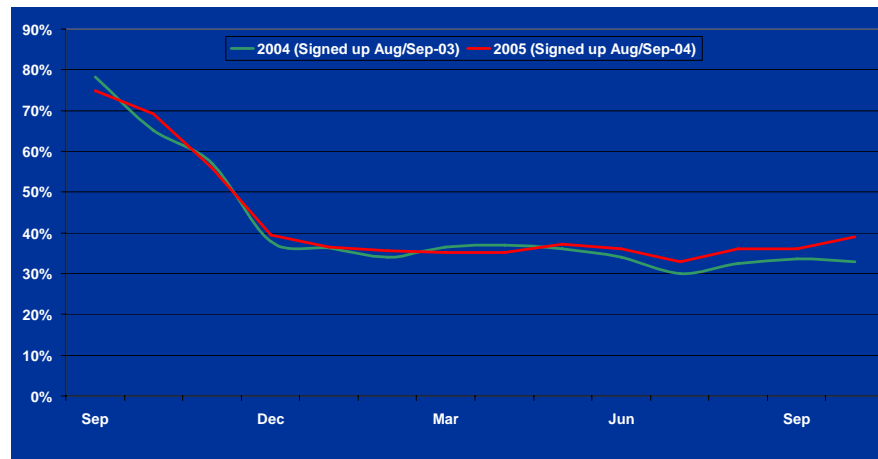
EUROPE



US

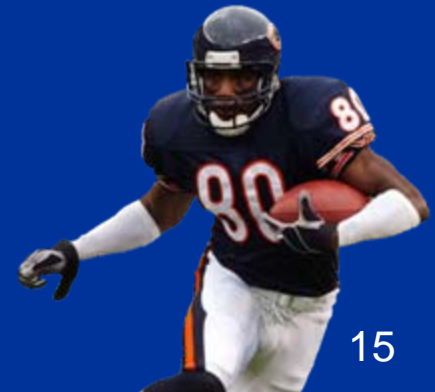


AUS





America



AMERICA

	2005	2004	+/-
Sports actives	173,748	108,803	+60%
Sports bets	8.5m	6.3m	+35%
Sports bets / active	49	57	-14%
Sports bet size	\$54	\$57	-5%
Sports margin	7.2%	5.1%	+44%
Gaming actives	63,028	48,707	+29%
Gaming bets	72.8m	59.7m	+22%
Gaming bet size	\$12	\$10	+20%
Gaming margin	1.9%	1.9%	-
CPA	\$349	\$368*	-5%

* 12 months to July 2004



Europe



EUROPE

	2005	2004	+/-
Sports actives	142,476	92,660	+54%
Sports bets	6.7m	4.4m	+53%
Sports bets / active	47	47	-
Sports bet size	£14	£14	-
Sports margin	8.2%	5.7%	+46%
Gaming actives	36,931	19,895	+86%
Gaming bets	34.3m	14.8m	+132%
Gaming bet size	£5	£5	-
Gaming margin	3.8%	3.8%	-
CPA	£154	£137*	+12%

* 12 months to July 2004



Australia



AUSTRALIA

	2005	2004	+/-
Sports actives	10,365	7,137	+45%
Sports bets	0.91m	0.66m	+38%
Sports bets / active	87	92	-5%
Sports bet size	A\$257	A\$327	-21%
Sports margin %	3.0%	1.5%	101%
CPA	A\$863	A\$917*	-6%

* 12 months to July 2004





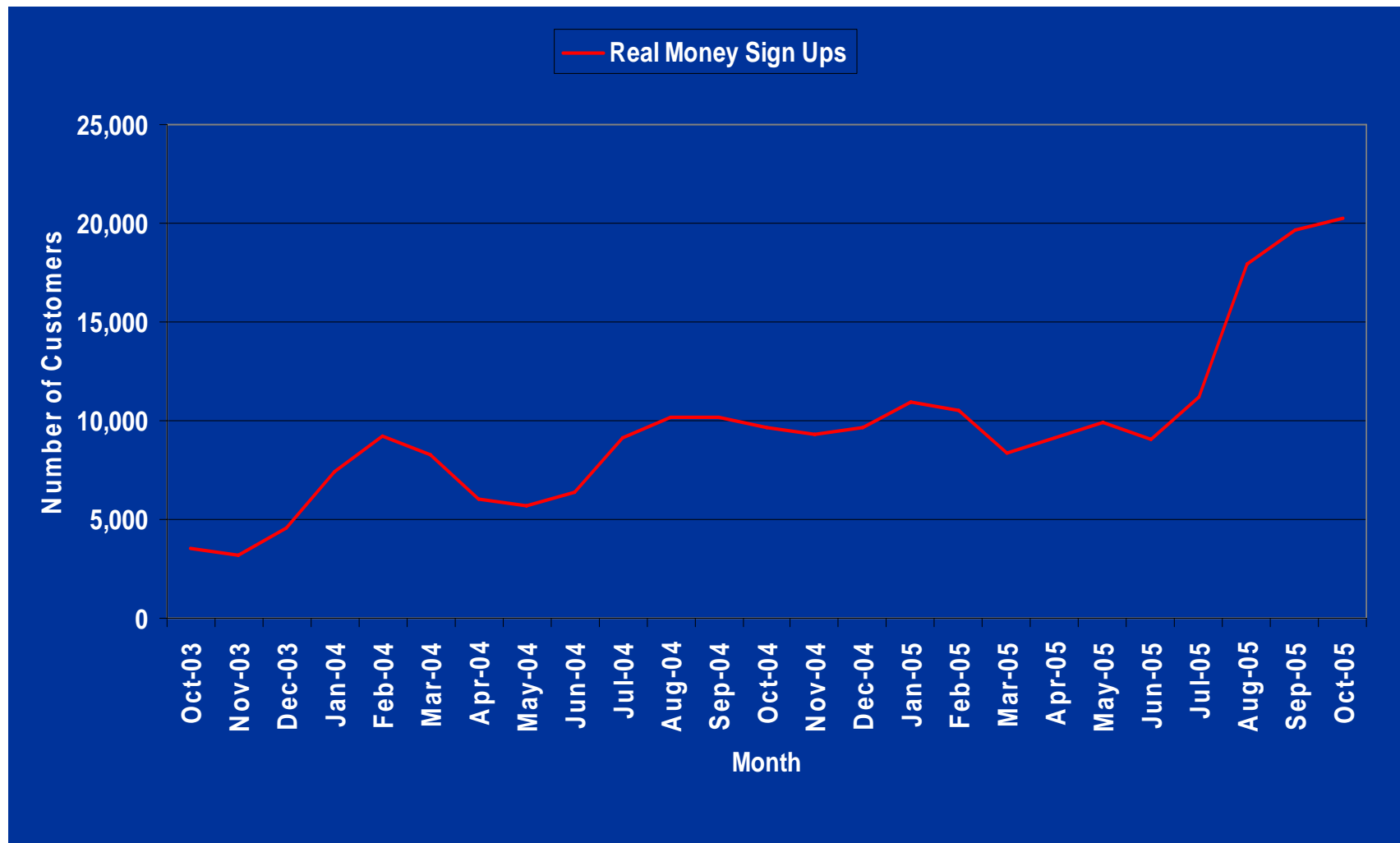
Paradise Poker

PARADISE POKER

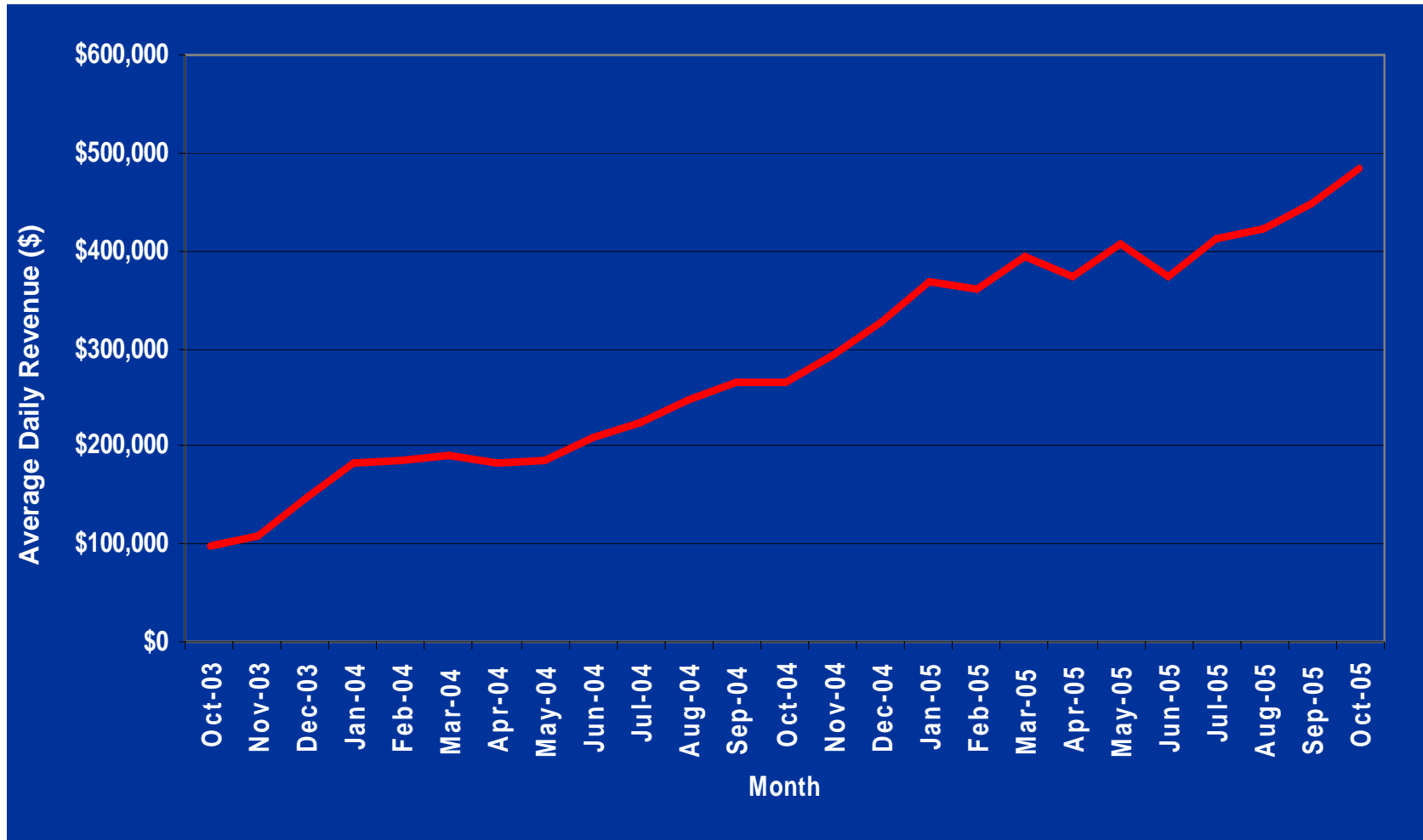
	2005	2004	+/-
Poker actives	168,112	87,209	+93%
Games per day	1.58m	0.81m	+96%
Avg daily rake	\$430,858	\$229,377	+88%
CPA	\$166	\$139*	+19%

* 12 months to July 2004

ACQUISITIONS BY MONTH



AVERAGE DAILY REVENUE





Cross-Sell

CROSS-SELL SPORTS TO POKER

	Q1	Oct
Sports players active in Paradise	17,729	12,556
% of total active sports players*	12.7%	11.6%
Rake generated	\$2.4m	\$1.3m
Average rake per day	\$26,000	\$41,000
Average rake per active player	\$136	\$101

* From those brands which operate a shared purse with Paradise Poker

CROSS-SELL POKER TO SPORTS

	Q1	Oct
Poker players active in Sportsbook	13,296	11,339
% of total active poker players	8.8%	11.1%
Sports margin	\$0.8m	\$0.5m
Casino margin	\$0.2m	\$0.1m
Sports bet size	\$49	\$49
Sports bets / active	16	13



Regulation

REGULATION

- UK
 - No change
- EU
 - EU formal study commenced, market distortion risk still high
 - Dutch initiative typical example
 - Service Directive emerged without gambling
- USA
 - Further Kyl initiatives refused time, Oxley out, Leach re-surfaces
 - CBS 60 Minutes record year audience
- AUSTRALIA
 - Exchange licence now likely



Summary and Way Forward

SUMMARY

- Business growing strongly:
 - Organic sports and casino growth strong
 - Poker growth exceeding expectations
 - All parts of business growing strongly
 - Shared purse started well
 - Strong cash generation
 - Good start to the year

