



Sportingbet Plc

Unaudited results for the second quarter ended 31 January 2009

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

Highlights for the quarter

- Operating profit* up by 35% to £10.1m
- Operating profit margin now at 23%
- Adjusted fully diluted EPS* up 36% to 1.9p
- Live sports streaming helping to drive in-running betting
- Licensed South African sports betting operation launched

Financial highlights for the quarter

	Q2 2008/9 £m	Q2 2007/8 £m	Growth %
Net Gaming Revenue	43.6	41.2	6%
Adjusted Operating Profit*	10.1	7.5	35%
Profit Before Tax	8.3	3.6	131%
Diluted EPS (p)	1.5	0.6	150%
Adjusted Diluted EPS* (p)	1.9	1.4	36%
Net cash**	27.3	26.6	3%

Highlights for the first half

- Operating profit* up by 39% to £16.2m
- Adjusted fully diluted EPS* up 32% to 2.9p
- Strong sports betting performance in both Europe and Australia
- Poker market remains highly competitive across Europe
- Net cash** of £27.3m

Financial highlights for the first half

	H1 2008/9 £m	H1 2007/8 £m	Growth %
Net Gaming Revenue	82.5	71.6	15%
Adjusted Operating Profit*	16.2	11.7	39%
Profit Before Tax	13.2	2.2	500%
Diluted EPS (p)	2.3	0.2	-
Adjusted Diluted EPS* (p)	2.9	2.2	32%
Net cash**	27.3	26.6	3%

* Adjusted to exclude exceptional items, share option charge and amortisation
** Net of long term debt and customer liabilities

Andrew McIver, Group Chief Executive, commented:

“Quarter two concluded a robust first half of the financial year, with operating profit in the six months growing 39% to £16.2m. The Group’s balance sheet remains strong with net cash of £27.3m. Demand for our market leading sports betting product continues to grow. Whilst there are some signs of the economic downturn impacting upon some areas of our operations, such as Australian higher staking telephone business, our overall performance remains encouraging. The third quarter has started strongly and the Board remains cautiously optimistic for the full year outcome.”

For further information please contact:

Sportingbet Plc

Tel: 020 7184 1800

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

Maitland

George Hudson

Tel: 020 7379 5151
Mob: 07595 270877

There is a presentation for analysts and investors today at 9.30 at the offices of Sportingbet Plc, 45 Moorfields, London EC2Y 9AE. In addition, there will be a live audio webcast available at www.sportingbetplc.com. Registration will be made available 10 minutes prior to the presentation start time.

OVERVIEW

The Group has continued to perform well during the second quarter (November, December and January) of its current financial year. This quarter is one of the busiest for sports betting in Europe with full football programmes across all European leagues. In Australia, other than the significant Melbourne Cup festival at the start of November, the horse racing calendar is at its quietest during the Australian summer months.

Football continues to dominate the business and represented 62% of Group sports revenue and 74% of European sports revenue in the quarter. Australian horse racing accounted for 15% of Group sports revenue and 96% of Australian sports revenue. Basketball and tennis are material contributors and represented 5.4% and 3.7% of Group sports revenue respectively.

The Group continues to expand its global footprint with the launch of new territories both within Europe and also with its Emerging Markets division (currently reported within Europe). A full suite of betting and gaming products was launched into Brazil in November 2007 and this business has shown some encouraging signs to date. In December 2008, the Group obtained a licence in South Africa for online sports betting, currently the only legal gaming product available in this market. This business was launched in conjunction with a local partner in February 2009. The Group, in conjunction with its Greek marketing partner, will launch a Romanian language website in Q3 to capitalise on the high growth rates currently being seen in the Group's Eastern European markets.

FINANCIAL RESULTS

Second quarter ended 31 January 2009

Amounts wagered for the second quarter ended 31 January 2009 were £402.2m (2007/8: £364.7m), earning net gaming revenue ("NGR") of £43.6m (2007/8: £41.2m).

Amounts wagered on sports betting in Europe grew by 10% to £234.3m (2007/8: £212.4m), earning NGR of £23.3m (2007/8: £20.5m). Casino and gaming contributed a further £10.9m, and poker £5.3m, to both amounts wagered and NGR (2007/8: £9.9m and £6.1m). Amounts wagered on Australian sports betting grew by 11% to £151.7m (2007/8: £136.3m), earning NGR of £4.1m (2007: £4.7m).

As a percentage of amounts wagered, the European and Australian sports NGR (post gaming tax deductions) were 9.9% and 2.7% respectively (2007/8: 9.7% and 3.4%). Amounts wagered and NGR are stated after a deduction for customer bonuses of £5.4m (2007/8: £3.8m). Without the bonus deduction the equivalent numbers would have been 11.2% and 3.0% (2007/8: 10.5% and 3.6%).

Costs (excluding exceptional items, share option charge and amortisation) in the three months were £33.5m (2007/8: £33.7m), accounting for 76.8% of NGR

(2007/8: 81.8%). The Group continues to focus on cost control and is benefiting from many of the restructuring actions taken in the past two years.

Operating profit (before exceptional items, share option charge and amortisation) for the three months was up 35% at £10.1m (2007/8: £7.5m).

EBITDA (earnings before interest, tax, depreciation and amortisation, excluding exceptional items and share option charge), was up 32% to £12.1m (2007/8: £9.2m).

Profit before tax was £8.3m (2007/8: £3.6m) after charging exceptional items of £nil (2007/8: £1.0m), share option charge of £1.3m (2007/8: £1.8m) and amortisation of other intangible assets of £0.5m (2007/8: £1.1m).

The Group's second quarter revenues benefited by 10% due to the movement in exchange rates over the previous year. Since the majority of the costs are incurred in the same currency as the revenue is earned, the benefit to the profit has been in the order of £1.1m in the quarter.

As at 31 January 2009, the Group had £52.2m (2007/8: £47.6m) of cash and liquid resources on its balance sheet. After taking into account £20.9m (2007/8: £15.6m) of customer liabilities, £4.0m (2007/8: £5.3m) of bank loans secured on residential properties in the Channel Islands and £nil (2007/8: £0.1m) deferred consideration, net cash at the period end stood at £27.3m (2007/8: £26.6m).

REVIEW OF OPERATIONS

Europe

Europe has had a very successful quarter, delivering strong margins and record profitability.

Europe's core markets of Spain and Greece continue to perform well with revenues for these regions up 16% and 83% respectively, with the Spanish market showing a marked improvement since being brought in-house.

Revenue from the Turkish region has fallen 45% year on year, equivalent to £5.3m. Turkey accounted for approximately 13% of Group revenue during the quarter compared to 26% during quarter two last year. Since then, the Group has scaled back its operations in order to reduce reliance on this region.

Eastern Europe continues to be a significant growth market, increasing in aggregate by 44% to account for 16% of Group revenue (2007/8: 12%).

Overall, like for like revenue growth in the European business was 18% year on year. The reported 11% reflects the tactical reduction in the Turkish business partially mitigated by exchange benefits.

The European sports betting business continues to achieve industry leading sports betting margins driven by significant investment in both technology and personnel.

During the period, a sports gross margin of 11.2% was achieved (2007/8: 10.5%) despite the increase of in:play betting which now accounts for 47% of the betting volumes. This margin is achieved through absolute focus on odds setting and risk management and investment in the underlying technology to allow the team of highly experienced traders to maximise profits from the wagers that are taken.

The European marketing strategy continues to be focused on those customer segments that provide a significant contribution to Group performance as opposed to a 'quantity at any cost' strategy. This can be seen in the customer metrics with a sports betting yield per customer increase of 28% from £102 to £130.

As a result of this new focus on core valuable customers, sports actives saw a 7% decline to 205,617 (2007/8: 222,036). The number of bets placed fell by 3% to 15.3m (2007/8: 15.7m) however, the bets per active customer per quarter increased to 74 (2007/8: 71 bets). The average bet size increased to £15.53 (2007/8: £13.63), in part as a result of our concentration on high value players and also from more favourable exchange rates.

Europe's casino and games offering, which accounted for 24% of the Group's revenue, grew by 8% during the quarter. We continue to see customers move away from the traditional download casino product to more instant casino games using Flash or Java technology. The Group has initiatives in place to offer a wider array of instant games through its casino portal towards the end of this financial year.

During the quarter the European region generated poker rake of £6.1m (2007/8: £6.8m), pre bonus deductions, down 10% year on year. Poker now accounts for just 12% of the Group's revenue, down from 15% in quarter two 2007/8. Poker remains challenging as the environment remains very competitive with large US-focused poker companies, in particular, using their significant cash flow and high liquidity to attract European customers.

Australia

Revenues pre-tax increased by 25% from £5.3m to £6.6m at a margin of 4.4% (2007/8: 3.9%), however a number of new State taxes and product levies were introduced in September 2008, resulting in a rise in taxes to £2.1m (2007/8: £0.4m). As a result, revenue post-tax fell by 8% to £4.5m at a post tax margin of 3.0% versus 3.6% last year.

The Australian operation comprises two elements: an internet business and a telephone business that provides credit to customers, representing 61% and 39% of the quarter's sports betting revenue respectively.

The telephone operation is biased towards higher staking customers, betting predominantly on horse racing. The internet business, which has been built from scratch over the last four years, is more recreational in nature and covers a greater diversity of sports. As such it tends to be a higher margin operation.

Since Christmas, we have begun to see the impact of the economic downturn in the region on the higher staking telephone customers. Whilst the overall number of telephone bets has increased by 14%, the number of telephone bets placed per customer is down 12% and the telephone bet size is down 9%. As a result of the economic situation, the amount of credit being offered to customers has also been reduced which, whilst impacting turnover, will reduce bad debt risk.

Coinciding with the change in tax regime, in September 2008, New South Wales and Victoria relaxed their restriction on sports betting advertisements. Sportingbet Australia, which is Australia's largest independent bookmaker, has therefore been able to increase its marketing activity in these states. The Australian summer months are quiet for horse racing, which accounts for 96% of the region's revenue, and we await the more active Autumn Carnival and beyond to assess the impact of such advertising. It is anticipated that the internet operation will be the primary beneficiary of such advertising.

REGULATORY DEVELOPMENTS

There have been no substantive changes in the regulatory environment since the Group reported its Q1 results on 27 November 2008.

During this quarter, and as previously announced, on 26 January 2009, nine defendants appeared in a Turkish court accused of providing online gambling to Turkish citizens. Only one of these individuals was an employee of the Group. He had been detained in May 2008 whilst in the country on vacation and had been released on 14 October 2008 subject to certain travel restrictions, and pending further legal process. At the hearing in January 2009, the judge removed the previously imposed travel restrictions allowing the individual to return to the UK. A further hearing, if necessary, is not expected until 2010 at the earliest. The Group continues to have no assets, operations or employees based in Turkey.

The Board continues its discussions with the US Department of Justice with regard to a possible resolution of the historical risk associated with the Group's former US business. These discussions remain positive and amicable though no further clarity has been provided as to the likely outcome or its timing.

CURRENT TRADING AND OUTLOOK

Trading in the first four weeks of February has been strong, with revenue up 17% on the same month last year, driven primarily by the strength in European sports betting. Whilst there are some signs of the economic downturn impacting upon some areas of operations, such as Australian higher staking telephone business, overall performance remains encouraging. As such the Board remains cautiously optimistic of achieving the Group's full year forecast.

Sportingbet Plc
Unaudited Consolidated Interim Income Statement
Six months ended 31 January 2009

	Notes	3 months to 31 January 2009 £m	3 months to 31 January 2008 £m	6 months to 31 January 2009 £m	6 months to 31 January 2008 £m
Amounts wagered	3	402.2	364.7	767.1	655.6
Net gaming revenue	2, 3	43.6	41.2	82.5	71.6
Administrative expenses excluding exceptional items, share option charge and amortisation of other intangible assets		(33.5)	(33.7)	(66.3)	(59.9)
Group operating profit before exceptional items, share option charge and amortisation of other intangible assets		10.1	7.5	16.2	11.7
Other administrative expenses:					
• Exceptional items	3, 4	-	(1.0)	-	(3.9)
• Share option charge	3	(1.3)	(1.8)	(2.2)	(3.6)
• Amortisation of other intangible assets	3	(0.5)	(1.1)	(0.9)	(2.2)
Total administrative expenses		(35.3)	(37.6)	(69.4)	(69.6)
Group operating profit		8.3	3.6	13.1	2.0
Finance income		0.1	0.1	0.3	0.4
Finance costs		(0.1)	(0.1)	(0.2)	(0.2)
Profit before taxation		8.3	3.6	13.2	2.2
Taxation		(0.4)	(0.7)	(1.4)	(1.0)
Group profit for the period		7.9	2.9	11.8	1.2
Earnings per ordinary share	5				
Basic		1.7p	0.6p	2.6p	0.3p
Diluted		1.6p	0.6p	2.3p	0.2p

Sportingbet Plc
Unaudited Consolidated Balance Sheet
As at 31 January 2009

	Notes	31 January 2009 £m	31 January 2008 £m
Non-current assets			
Goodwill		46.8	47.0
Other intangible assets		16.1	7.2
Property, plant and equipment	6	21.1	17.3
		<u>84.0</u>	<u>71.5</u>
Current assets			
Trade and other receivables		10.3	7.7
Cash and cash equivalents		52.2	47.6
		<u>62.5</u>	<u>55.3</u>
Current liabilities			
Trade and other payables		(48.3)	(38.7)
Interest bearing loans and borrowings		(4.0)	(5.3)
Contingent consideration		(3.4)	-
		<u>(55.7)</u>	<u>(44.0)</u>
Net current assets		<u>6.8</u>	<u>11.3</u>
Non-current liabilities			
Deferred consideration		-	(0.1)
Long-term provisions		(0.1)	(0.7)
		<u>(0.1)</u>	<u>(0.8)</u>
Net assets		<u>90.7</u>	<u>82.0</u>
Equity			
Issued share capital		0.5	0.4
Shares to be issued		2.5	7.6
Share premium		56.8	52.7
Retained earnings	7	31.3	24.0
Foreign exchange reserve		(0.4)	(2.4)
Equity attributable to equity holders of the parent		<u>90.7</u>	<u>82.3</u>
Minority interest		-	(0.3)
Total equity		<u>90.7</u>	<u>82.0</u>

Sportingbet Plc
Unaudited Consolidated Cash Flow Statement
Six months ended 31 January 2009

	3 months to 31 January 2009 £m	3 months to 31 January 2008 £m	6 months to 31 January 2009 £m	6 months to 31 January 2008 £m
Group profit after tax	7.9	2.9	11.8	1.2
Depreciation	0.9	1.2	2.2	2.0
Software amortisation	1.1	0.5	1.6	1.1
Other amortisation	0.5	1.1	1.0	2.2
Share option charge	1.3	1.8	2.2	3.6
Finance income	-	-	(0.1)	(0.2)
Taxation	0.4	0.7	1.4	1.0
Operating cash flows before movements in working capital	12.1	8.2	20.1	10.9
(Increase)/decrease in receivables	(3.1)	0.4	(1.6)	1.6
Increase/(decrease) in payables	6.3	3.8	(4.5)	5.5
Cash from operations	15.3	12.4	14.0	18.0
Income tax paid	(0.3)	(1.3)	(1.9)	(1.3)
Net cash from operating activities	15.0	11.1	12.1	16.7
Purchases of property, plant and equipment	(1.5)	(2.5)	(2.5)	(6.3)
Purchases of software	(2.7)	0.4	(3.2)	(0.1)
Acquisitions	-	-	(1.0)	-
Interest received	-	-	0.1	0.2
Cash used in investing activities	(4.2)	(2.1)	(6.6)	(6.2)
Repayment of borrowings	(1.6)	-	(1.6)	-
Purchase of own shares	-	-	(2.3)	-
Net cash used in financing activities	(1.6)	-	(3.9)	-
Net increase in cash and cash equivalents in the period	9.2	9.0	1.6	10.5
Cash and cash equivalents at beginning of period	41.8	38.5	49.4	37.0
Effect of foreign exchange rate changes	1.1	0.1	1.1	0.1
Cash and cash equivalents at end of period	52.1	47.6	52.1	47.6

Sportingbet Plc
Unaudited Consolidated Statement of Recognised Income and Expense
Six months ended 31 January 2009

	3 months to 31 January 2009 £m	3 months to 31 January 2008 £m	6 months to 31 January 2009 £m	6 months to 31 January 2008 £m
Exchange differences on translation of foreign operations	1.7	0.1	1.1	0.2
Net (loss)/income recognised directly in equity	1.7	0.1	1.1	0.2
Profit/(loss) for financial period	7.9	2.9	11.8	1.2
Total recognised income and expense for the period	9.6	3.0	12.9	1.4

Sportingbet Plc
Unaudited Notes
Six months ended 31 January 2009

1. Basis of preparation

The financial information provided is for the three months ended 31 January 2009, the second quarter of the Group's financial year ending 31 July 2009, and the six months ended 31 January 2009.

The financial information has been prepared in accordance with the accounting policies set out in the Group's Annual Report and Accounts for the year ended 31 July 2008, which are based on the recognition and measurement principles of IFRSs in issue as adopted by the European Union (EU). The Group has chosen not to adopt IAS 34 in the preparation of this financial information in accordance with the AIM rules. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of this financial information.

The Group's statutory financial statements for the year ended 31 July 2008 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their reports were unqualified, however they included a reference to an emphasis of matter with regard to regulatory uncertainty consistent with the prior year, and the reports did not contain statements under section 237(2) or (3) of the Companies Act 1985.

2. Net gaming revenue

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

	3 months to 31 January 2009 £m	3 months to 31 January 2008 £m	6 months to 31 January 2009 £m	6 months to 31 January 2008 £m
Gaming revenue	49.0	45.0	91.5	78.9
Promotional bonuses	(5.4)	(3.8)	(9.0)	(7.3)
	43.6	41.2	82.5	71.6

Sportingbet Plc
Unaudited Notes (Continued)
Six months ended 31 January 2009

3. Primary and secondary segmental information

The following table presents revenue and profit information for the Group's primary business segments for the second quarter ended 31 January 2009:

	Europe £m	Australia £m	Americas £m	Unallocated central costs £m	Total £m
Amounts wagered	244.9	151.7	5.6	-	402.2
Net gaming revenue	38.7	4.1	0.8	-	43.6
Depreciation	(1.1)	(0.2)	-	(0.7)	(2.0)
Administrative expenses excluding share option charge, depreciation and other amortisation	(23.0)	(2.8)	(0.9)	(4.8)	(31.5)
Group operating profit before exceptional items, share option charge and other amortisation	14.6	1.1	(0.1)	(5.5)	10.1
Other administrative expenses:					
> Share option charge	(0.4)	(0.2)	-	(0.7)	(1.3)
> Other amortisation	(0.5)	-	-	-	(0.5)
Total administrative expenses	(25.0)	(3.2)	(0.9)	(6.2)	(35.3)
Operating profit/(loss)	13.7	0.9	(0.1)	(6.2)	8.3

The following table presents revenue information for the Group's secondary business segments for the second quarter ended 31 January 2009:

	Sports betting £m	Casino and gaming £m	Poker rake £m	Total £m
Amounts wagered	386.0	10.9	5.3	402.2
Net gaming revenue	27.4	10.9	5.3	43.6

Sportingbet Plc
Unaudited Notes (Continued)
Six months ended 31 January 2009

3. Primary and secondary segmental information (continued)

The following table presents revenue and profit information for the Group's primary business segments for the second quarter ended 31 January 2008:

	Europe £m	Australia £m	Americas £m	Unallocated central costs £m	Total £m
Amounts wagered	226.3	136.3	2.1	-	364.7
Net gaming revenue	35.9	4.6	0.7	-	41.2
Depreciation	(1.1)	(0.1)	-	(0.5)	(1.7)
Administrative expenses excluding exceptional items, share option charge, depreciation and other amortisation	(21.3)	(2.4)	(0.9)	(7.4)	(32.0)
Group operating profit before exceptional items, share option charge and other amortisation	13.5	2.1	(0.2)	(7.9)	7.5
Other administrative expenses:					
> Exceptional items	(1.5)	-	-	0.5	(1.0)
> Share option charge	(0.5)	(0.3)	-	(1.0)	(1.8)
> Other amortisation	(1.1)	-	-	-	(1.1)
Total administrative expenses	(25.5)	(2.8)	(0.9)	(8.4)	(37.6)
Operating profit/(loss)	10.4	1.8	(0.2)	(8.4)	3.6

The following table presents revenue information for the Group's secondary business segments for the second quarter ended 31 January 2008:

	Sports betting £m	Casino and gaming £m	Poker rake £m	Total £m
Amounts wagered	348.7	9.9	6.1	364.7
Net gaming revenue	25.2	9.9	6.1	41.2

Sportingbet Plc
Unaudited Notes (Continued)
Six months ended 31 January 2009

3. Primary and secondary segmental information (continued)

The following table presents revenue and profit information for the Group's primary business segments for the six months ended 31 January 2009:

	Europe £m	Australia £m	Americas £m	Unallocated central costs £m	Total £m
Amounts wagered	446.3	308.7	12.1	-	767.1
Net gaming revenue	69.9	11.0	1.6	-	82.5
Depreciation	(2.0)	(0.3)	-	(1.5)	(3.8)
Administrative expenses excluding share option charge, depreciation and other amortisation	(43.0)	(7.0)	(1.6)	(10.9)	(62.5)
Group operating profit before exceptional items, share option charge and other amortisation	24.9	3.7	-	(12.4)	16.2
Other administrative expenses:					
> Share option charge	(0.7)	(0.3)	-	(1.2)	(2.2)
> Other amortisation	(0.5)	-	-	(0.4)	(0.9)
Total administrative expenses	(46.2)	(7.6)	(1.6)	(14.0)	(69.4)
Operating profit/(loss)	23.7	3.4	-	(14.0)	13.1

The following table presents revenue information for the Group's secondary business segments for the six months ended 31 January 2009:

	Sports betting £m	Casino and gaming £m	Poker rake £m	Total £m
Amounts wagered	736.6	20.8	9.7	767.1
Net gaming revenue	52.0	20.8	9.7	82.5

Sportingbet Plc
Unaudited Notes (Continued)
Six months ended 31 January 2009

3. Primary and secondary segmental information (continued)

The following table presents revenue and profit information for the Group's primary business segments for the six months ended 31 January 2008:

	Europe £m	Australia £m	Americas £m	Unallocated central costs £m	Total £m
Amounts wagered	406.9	245.6	3.1	-	655.6
Net gaming revenue	62.2	8.2	1.2	-	71.6
Depreciation	(2.1)	(0.2)	-	(0.8)	(3.1)
Administrative expenses excluding exceptional items, share option charge, depreciation and other amortisation	(38.1)	(4.8)	(1.4)	(12.5)	(56.8)
Group operating profit before exceptional items, share option charge and other amortisation	22.0	3.2	(0.2)	(13.3)	11.7
Other administrative expenses:					
> Exceptional items	(1.5)	-	-	(2.4)	(3.9)
> Share option charge	(1.0)	(0.6)	-	(2.0)	(3.6)
> Other amortisation	(2.2)	-	-	-	(2.2)
Total administrative expenses	(44.9)	(5.6)	(1.4)	(17.7)	(69.6)
Operating profit/(loss)	17.3	2.6	(0.2)	(17.7)	2.0

The following table presents revenue information for the Group's secondary business segments for the six months ended 31 January 2008:

	Sports betting £m	Casino and gaming £m	Poker rake £m	Total £m
Amounts wagered	627.6	17.3	10.7	655.6
Net gaming revenue	43.6	17.3	10.7	71.6

Sportingbet Plc
Unaudited Notes (Continued)
Six months ended 31 January 2009

4. Exceptional items

The following exceptional costs were incurred during the period:

Notes	3 months to 31 January 2009 £m	3 months to 31 January 2008 £m	6 months to 31 January 2009 £m	6 months to 31 January 2008 £m
Reorganisation costs relating to UIGEA	(a) -	(0.5)	-	(0.3)
Transfer of licensable activities to the Channel Islands	(b) -	1.5	-	4.2
	-	1.0	-	3.9

- (a) The impact of the passing of the UIGEA and the subsequent decision to close the US-facing part of ParadisePoker and dispose of the remaining US-facing operations resulted in a number of reorganisation costs. Included in the 2008 reorganisation costs was the release of a £0.7m redundancy accrual that was no longer required.
- (b) The costs relating to the transfer of the licensable activities to Alderney and Guernsey included redundancy, recruitment, training, temporary accommodation and other related costs.

5. Earnings per share

	3 months to 31 January 2009	3 months to 31 January 2008	6 months to 31 January 2009	6 months to 31 January 2008
Earnings per ordinary share				
Basic	1.7p	0.6p	2.5p	0.3p
Diluted	1.5p	0.6p	2.3p	0.2p
Adjusted earnings per ordinary share (before exceptional items, share option charge and amortisation)				
Basic	2.0p	1.5p	3.1p	2.5p
Diluted	1.9p	1.4p	2.9p	2.2p

The calculation of basic earnings per share is based on the profit 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:

	3 months to 31 January 2009 £m	3 months to 31 January 2008 £m	6 months to 31 January 2009 £m	6 months to 31 January 2008 £m
Basic earnings	8.3	2.9	12.2	1.2
Exceptional items	-	1.0	-	3.9
Share option charge	1.3	1.8	2.2	3.6
Amortisation	0.5	1.1	0.9	2.2
Adjusted earnings	10.1	6.8	15.3	10.9

Sportingbet Plc
Unaudited Notes (Continued)
Six months ended 31 January 2009

5. Earnings per share (continued)

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

	3 months to 31 January 2009 No.	3 months to 31 January 2008 No.	6 months to 31 January 2009 No.	6 months to 31 January 2008 No.
Weighted average number of shares in issue	474,700,981	448,530,291	473,554,301	441,131,214
Employee share schemes	42,198,601	37,820,865	42,198,601	37,820,865
Contingent consideration	5,257,731	18,413,725	5,257,731	18,413,725
Fully diluted number of weighted average number of shares in issue	522,157,313	504,764,881	521,010,633	497,365,804

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

	2009 No.	2008 No.
Number of shares in issue	478,192,476	464,768,970
Employee share schemes	42,198,601	37,820,865
Contingent consideration	5,257,731	18,413,725
Fully diluted number of shares in issue	525,648,808	521,003,560

6. Property, plant and equipment and software

Additions to property, plant and equipment and software were £1.5m and 2.7m respectively during the three months ended 31 January 2009 (2007/8: £2.5m and £0.4m credit). For the six month period, additions to property, plant and equipment and software were £2.5m and 3.2m respectively (2007/8: £6.3m and £0.1m).

7. Movement in retained earnings

The movement in retained earnings comprises the Group profit for the quarter of £7.9m, the share option reserve movement of £1.3m, which is not presented separately in equity, and the transfer of £2.9m shares no longer held in treasury.

Sportingbet Plc
Six months ended 31 January 2009

Financial Highlights – Six months ended 31 January 2009

- Net gaming revenue growth of 15% to £82.5m
- Operating profit* up by 39% to £16.2m
- Sports betting net gaming revenue growth of 19%
- Net cash** of £27.3m

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

** Net of long term debt and customer liabilities

FINANCIAL RESULTS – Six months ended 31 January 2009

Amounts wagered for the six months ended 31 January 2009 were £767.1m (2007/8: £655.6m), earning NGR of £82.5m (2007/8: £71.6m).

Amounts wagered on sports betting in Europe grew by 12% to £427.9m (2007/8: £382.0m), earning NGR of £41.0m (2007/8: £35.5m). Casino and gaming contributed a further £20.8m, and poker £9.7m, to both amounts wagered and NGR (2007/8: £17.2m and £10.7m). Amounts wagered on Australian sports betting grew by 26% to £308.7m (2007/8: £245.6m), earning NGR of £11.0m (2007/8: £8.2m).

As a percentage of amounts wagered, the European and Australian sports NGR were 9.6% and 3.6% respectively (2007/8: 9.3% and 3.4%). Amounts wagered and NGR are stated after a deduction for customer bonuses of £9.0m (2007/8: £7.3m). Without the bonus deduction the equivalent numbers would have been 10.8% and 3.8% (2007/8: 10.2% and 3.5%).

Costs (excluding exceptional items, share option charge and amortisation) in the six months were £66.3m (2007/8: £59.9m), accounting for 80.4% of NGR (2007/8: 83.6%).

Operating profit (before exceptional items, share option charge and amortisation) for the six months was £16.2m (2007/8: £11.7m).

EBITDA, that is earnings before interest, tax, depreciation and amortisation (excluding exceptional items and share option charge), was up 36% to £20.1m (2007/8: £14.8m).

Profit before tax, after charging exceptional items of £nil (2007/8: £3.9m), share option charge of £2.2m (2007/8: £3.6m), amortisation of other intangible assets of £0.9m (2007/8: £2.2m) and crediting interest income of £0.1m (2007/8: £0.2m), was £13.2m (2007/8: £2.2m).