



sportingbet Plc

Year End Results

Year ended 31 July 2007

Wednesday 17 October 2007

THE US IMPACT

- Passing of UIGEA had a significant effect:
 - 60+% of Group revenue and 95+% of Group profit removed
 - Poker virtually annihilated
 - Significant distraction for all senior management
- Immediate action taken:
 - US Sports/Casino operations sold immediately
 - Poker operations closed to all US residents
 - Complete re-organisation and restructuring of operations
- Operational focus:
 - Downsize cost base
 - Address poker liquidity
 - Create further operational efficiencies
 - Build platform for growth

HIGHLIGHTS

- Exceptional growth in gross win from core EMEA sports betting (+48%)
- Business re-engineered through significant restructuring and reorganisation
- Acquisition and integration in two key markets – Turkey and Italy
- Migration of all poker players to a single platform
- All licensable activities moved to the Channel Islands
- All non-Australian customer service personnel consolidated into Dublin
- Key management and staff retained
- Built stable platform to move Group forwards

PROFIT AND LOSS

	Continuing Business Year ended July 2007	Continuing Business Year ended July 2006	Year ended July 2006
	£m	£m	£m
Turnover	1097.8	890.1	2,063.5
Gross profit	120.8	106.6	303.3
Costs	(113.4)	(102.4)	(200.3)
Operating profit	7.4	4.2	103.0
Exceptionals	(26.8)	-	-
Share option charge	(9.9)	(4.8)	(6.7)
Goodwill	(3.0)	(5.6)	(22.1)
Interest	2.5	(3.0)	(3.0)
Tax	(1.3)	(2.0)	(2.0)
Minority interest	0.6	0.2	0.2
Retained profit	(30.5)	(11.0)	69.4
Basic EPS*	2.1p	0.2p	24.9p
Fully diluted EPS*	2.0p	0.2p	23.8p

* Pre-exceptional items, goodwill amortisation and share option charge

BALANCE SHEET

		July 2007	July 2006
		£m	Restated £m
FIXED ASSETS	Goodwill and investments	45.8	359.6
	Tangible assets	19.6	16.4
		65.4	376.0
WORKING CAP	Debtors	9.6	21.9
	Cash	37.0	97.2
	Creditors	(33.2)	(69.6)
		13.4	49.5
DEBT	Bank loans	(5.3)	(10.5)
	Deferred consideration	(1.3)	(17.9)
	Contingent consideration	-	(18.8)
		72.2	378.3
RESERVES	Share capital	0.4	0.4
	Shares to be issued	13.0	24.0
	Share premium/other	43.2	46.0
	Profit and loss	15.9	308.1
	Minority interest	(0.3)	(0.2)
		72.2	378.3

GROSS PROFIT – THE CONTINUING BUSINESS

	2007	2006	% Change
	£m	£m	
Europe			
Sports (9.0% vs. 7.5%)	54.1	36.5	+48%
Casino & Games	32.7	32.9	-
Poker	29.0	31.5	-8%
	115.8	100.9	+15%
Australia (2.9% vs. 3.8%)	12.9	13.2	-2%
	128.7	114.1	+13%
Customer bonus adjustment	(7.9)	(7.5)	+5%
	120.8	106.6	+13%

COSTS – THE CONTINUING BUSINESS

	2007		2006		<i>Pro forma</i>
	£m	% of margin	£m	% of margin	
Marketing					
- Reported	52.0	40.4	48.0	42.1	45.0
- Bonuses	7.9	6.1	7.5	6.6	5.0
	59.9	46.5	55.5	48.7	50.0
Banking	12.8	9.9	9.1	8.0	7.0
IT costs	9.4	7.3	13.7	12.0	10.0
Employees	22.3	17.3	19.8	17.4	15.0
Depreciation	7.0	5.4	3.3	2.9	5.0
Other admin	9.9	7.7	8.5	7.4	5.0
	121.3	94.3	109.9	96.4	92.0

CASHFLOW

	£m	£m
Opening cash at 1 August 2006		97.2
EBITDA (continuing and discontinued)	27.4	
Interest	1.6	
Working capital	(7.1)	
	<hr/>	21.9
Capital expenditure	(17.1)	
Tax	(1.3)	
Acquisitions/deferred consideration payments	(23.9)	
Client liabilities transferred with US business	(14.7)	
Cash exceptional charges	(20.0)	
Share options	0.4	
	<hr/>	(76.6)
Loan repayments	(10.8)	
Guernsey property loan	5.3	
	<hr/>	(5.5)
Closing cash as at 31 July 2007*		37.0

* Includes client liabilities of £12.9m



Regulation

REGULATION

- UK: All licensable activities moved to the Channel Islands prior to the Gambling Act's 1 September deadline
- EU: Italy and Spain liberalising; France making noises; Germany looking prohibitive – i.e. business as usual
- US: Nothing material to report
- Turkey: Anti-online gaming legislation introduced February 2006. We continue to take Turkish bets as permitted by our licenses

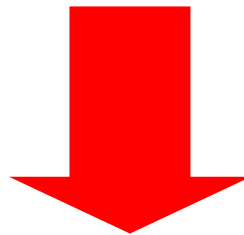


Laying The Foundations For The Future

LAYING THE FOUNDATIONS FOR GROWTH

Continuing to drive Australia forwards

- Rolling series of new products
- Enhanced risk management
- Strengthened direct sales force
- Improved internet marketing tools
- Ever strengthening “consumer PR machine”



Strong, continued Australian performance

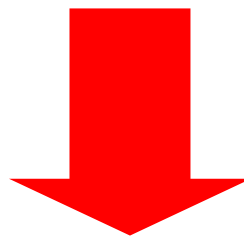
AUSTRALIA

	2007	2006	+/-
Sports actives	23,094	17,732	+30%
Internet			
Sports bets	6.3m	3.5m	+80%
Sports bets / active	313	234	+34%
Sports bet size	A\$38	A\$40	-5%
Sports margin %	4.9%	5.1%	-4%
Telephone			
Sports bets	1.3m	1.1m	+20%
Sports bets / active	177	206	-14%
Sports bet size	A\$631	A\$626	+1%
Sports margin %	2.4%	3.6%	-33%
CPA	A\$401	A\$521	-23%

LAYING THE FOUNDATIONS FOR THE FUTURE

Improving our European Operational Capability

- UK licensable activities transferred to Channel Islands
- Opportunity taken to upgrade trading and infrastructure
- Blend of senior management from London and local recruitment
- Brought selected partners in-house (Turkey, Italy, Scandinavia)

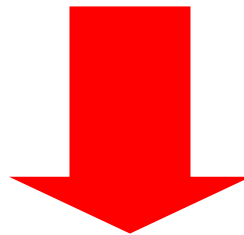


Set for growth: maximising existing and
new revenue streams

LAYING THE FOUNDATIONS FOR GROWTH

Consolidating our poker liquidity

- Migrated all Paradise onto Boss and re-branded Paradise, mid May
- Fully integrated marketing campaign to support migration
- Delivered stable player base and rake, significantly ahead of industry expectations
- Exposed ex Paradise Players to whole range of Sportingbet products
- Renegotiated Boss deal

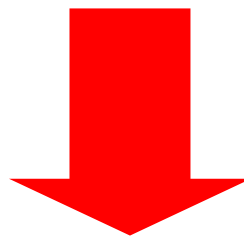


Increased liquidity while leveraging our Paradise brand across Sportingbet

LAYING THE FOUNDATIONS FOR GROWTH

Delivering customer service excellence

- One “super centre” in Dublin
- Constant delivery of high levels of service
- “Live chat”, phone and email across all domains/products
- Multi-skilled staff to allow for improved efficiency/service delivery
- Trialling outbound marketing capability
- All “back-office” functions centralised and optimised

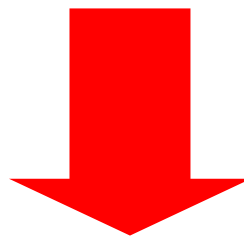


Customer Service: Critical for trust/mass market appeal

LAYING THE FOUNDATIONS FOR GROWTH

Driving forwards our sportsbook

- Sports betting remains our key growth engine
- Basic redesign of the sports home page to simplify product offering
- Rollout of our “Best in Class” in-running product
- Continually increasing breadth and depth of product (new events, new markets)



The shop-front of our business

EUROPE

	2007	2006	+/-
Sports actives	436,779	382,160	+14%
Sports bets	46.1m	35.3m	+31%
Sports bets / active	106	92	+15%
Sports bet size	£13.10	£13.80	-5%
Sports margin %	9.0%	7.5%	+23%
Casino bets	142.6m	129.1m	+11%
Casino bet size	£5.06	£5.54	-9%
Casino margin %	3.3%	3.2%	+3%
Poker – average daily rake	US\$155k	US\$155k	-
CPA	£181	£158	+15%



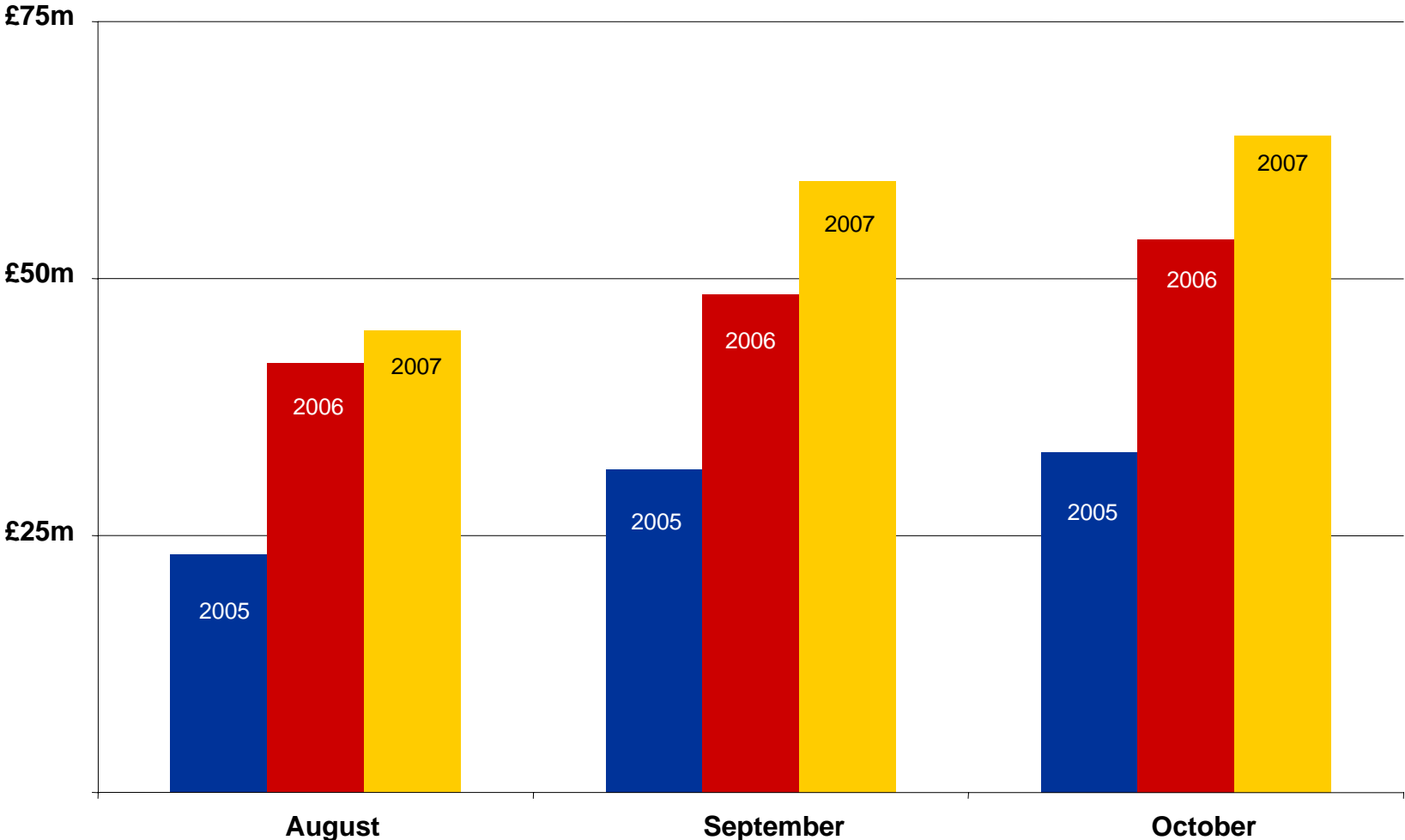
Current Trading

CURRENT TRADING

- Trading substantially ahead of prior year
- European sports turnover up 7% in August and 23% in September
- Poker rake showing significant growth post migration and summer slowdown
- Minimal impact of Australian Equine Influenza
- The Board remains confident of market expectations for the coming year

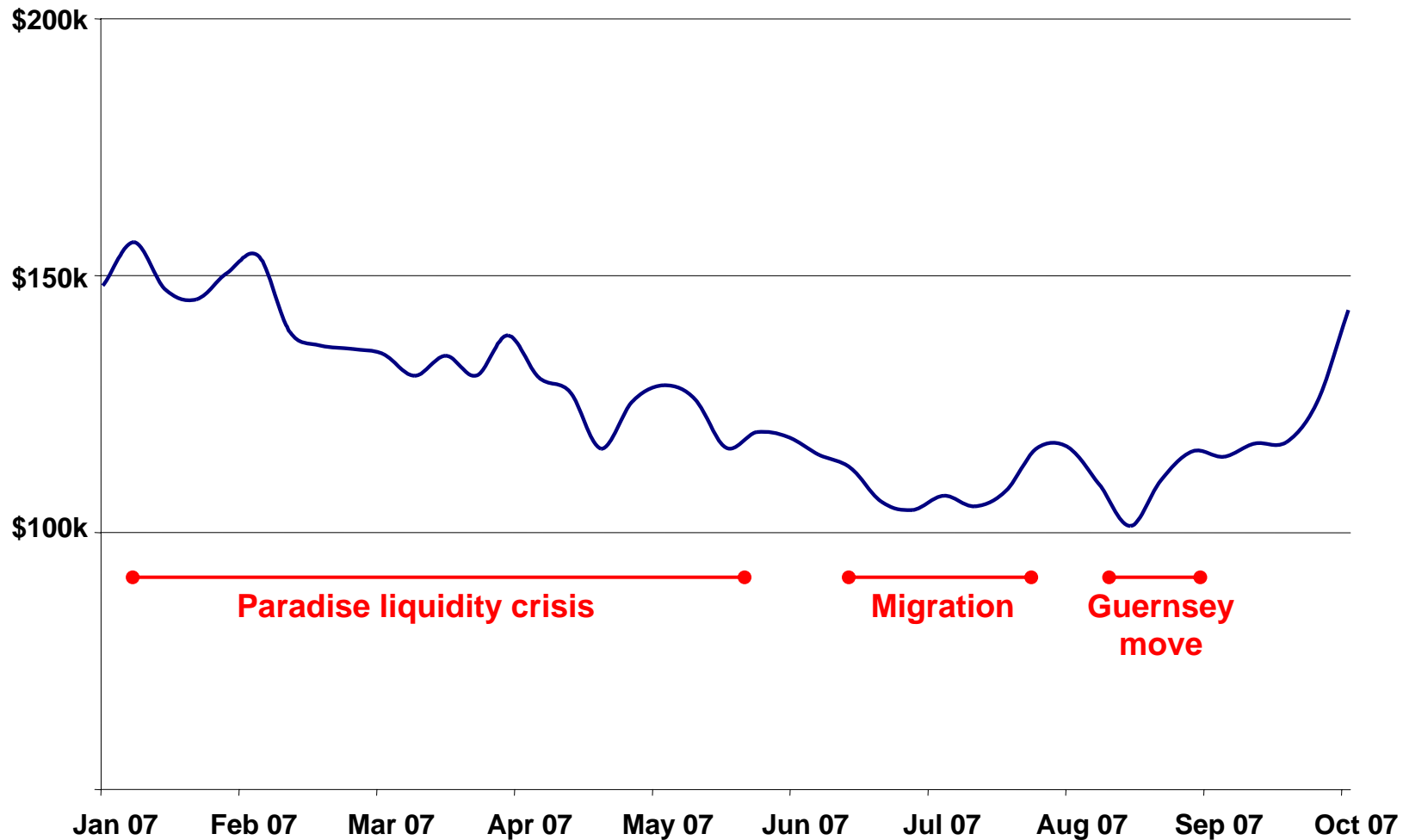
CURRENT TRADING - SPORTS

European Sports Turnover - Q1



CURRENT TRADING - POKER

Average daily rake - 1 Jan 07 to date





Summary

SUMMARY

- A lot has been achieved since UIGEA
- The business now stands on a firm footing to demonstrate profitable growth into the future
- Gross win has shown strong growth despite business disruption
- Targeted growth in operating margins over coming years
- Now that 07 is behind us, we look forward to a successful 2008



2008 - The New Financial Year

THE NEW FINANCIAL YEAR

- Continue to build on foundations laid in 2007
- Enhance the current product offering
 - website to be more customer focused
 - improve funded recruitment and retention
 - enhance poker and casino offerings with Boss
 - simplify functionality of sports betting portal
- Further geographical diversification
 - accelerate growth in immature markets
 - new embryonic markets