FOR IMMEDIATE RELEASE
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BETINTERNET.COM PLC
("the Company" or "betinternet.com")
INTERIM RESULTS FOR THE 26 WEEKS ENDED 26 NOVEMBER 2006

betinternet.com plc, the global on-line gaming group, today announces its interim results for the 26 weeks ended 26 November 2006.

Highlights of the results are:

- Group turnover has increased by 53% to £43.6m (2005: £28.5m)
- European Wagering Services (EWS) pari-mutuel business has continued to grow with turnover increasing by 247%
- EBITDA profit of £182k (2005: loss of £599k)
- Sportsbook turnover has increased by 27% to £31.8m (2005: £25.1m)
- Sportsbook margin has increased by 19% to 2.5% (2005: 2.1%)
- Group overheads have reduced by 17% to £1.39m (2005: £1.67m)

Commenting on the results, Denham Eke, chairman of betinternet, said:

"These results show that the business has moved to profitability at EBITDA level, with a particularly strong performance from European Wagering Services ("EWS"), the group's pari-mutuel operation, and growing revenues from the sportsbook business. This is a significant improvement on the same period last year and shows that the strategies put in place by the new management team are working well."

ENDS

For further information:

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Notes to editors:
The following are attached:

1. Chairman's statement
2. Consolidated Profit & Loss Accounts
3. Consolidated Balance Sheets
4. Consolidated Cash Flow Statements
5. Notes to the Accounts

N.B. Pari-mutuel (or “tote” wagering) refers to wagering into a ‘pool’ where dividends are paid to winners and the operator retains a percentage of the ‘pool’.

Chairman's Statement

Introduction

The first half of the Company's financial year, which ended on 26th November 2006, has seen the business move to profitability at EBITDA level, with a particularly strong performance from European Wagering Services ("EWS"), the group's pari-mutuel operation, and growing revenues from the sportsbook business.

This is a significant improvement on the same period last year and shows that the strategies put in place by the new management team are working well.

Unlike many internet gaming companies, betinternet.com has little exposure to the US and the passing of the Unlawful Internet Gambling Enforcement Act (UIGEA) of 2006 has had no impact on our revenues. As a result, the board believes betinternet.com to be uniquely placed to actively pursue opportunities to acquire non-US business from those companies adversely affected by this legislation. We believe that we are well positioned to take full advantage of such opportunities.

Overview of Results

During the period under review, group turnover was £43.6m (2005: £28.5m) and gross profit was £1.52m (2005: £1.07m).

EWS has performed particularly well, with turnover for the 26 week period at £11.8m (2005:£3.4m). The operation has a good balance of income from its website, link2bet.com, as well as through its telephone call centre.

Revenues from the sportsbook business have also improved, with the introduction of additional income streams from 24 fixed odds games and download and instant casino games being added during the period. As a result, the sportsbook has moved further towards our stated aim of providing a one-stop gaming and entertainment portal. The gross margin from the games and casino channels continues to outstrip that made from sports betting where increased competition in the Far East has a continued impact. However, the directors understand that it is betting on sports events that drives customers to the portal and for this reason it is the board's intention to continue to add a variety of new content to this portal.

Overheads have been reduced by 17% to £1.39m (2005: £1.67m) for the period. This reduction has been achieved by better controls and by increasing the use of technology to replace manual processes throughout the whole business. It is expected that this process will continue into the second half of the year.

Board and executive changes

In September 2006, we appointed Damon Waddington as Finance Director. Damon joined the Company as Financial Controller in February 2006.

We have also recently announced the appointment of Ed Comins to the position of chief operating officer of EWS with effect from 6th February 2007. Ed has considerable commercial experience within the gaming sector, having previously been the business development director of Totepool, the UK Tote's horseracing pool betting brand.

Future Prospects

EWS' growth has been achieved by offering the excellent levels of service, connectivity and technical solutions that our customers require. We have created bespoke wagering solutions for individual customers as well as for other gaming businesses and anticipate that this is an area that will continue to be in demand. We plan to enhance the link2bet.com website to improve navigation and make placing wagers more efficient.

We believe that Ed Comins' industry-experience will enable him to assist considerably with the continued growth of our pari-mutuel business. There remain many opportunities in this market, especially given the restrictions to fixed-odds wagering brought about by the UIGEA. In addition, the US Thoroughbred Protective

Bureau has published its report on our business. We have now sent this report to many of the racetracks in the US as a reference tool and as a result of this, are optimistic that we will be able to gain access to additional content for our customers.

Enhancements to the sportsbook portal are ongoing, with additional gaming content and improved customer functionality being worked on constantly. We also continue to look at additional payment solutions specific to the regions in which we operate. Having a dedicated development and design team is a considerable advantage to us in making these enhancements to our website in a timely manner.

Approximately two-thirds of our sportsbook's customers are resident in the Far East where the market continues to grow as payment solutions improve and internet connectivity increases. European football, especially the English Premiership, remains the preferred wagering product for these customers, where live pictures are readily available by satellite and now increasingly, through internet streaming.

The board expects that the Company will start to see revenue from the provision of a white-label sportsbook service to third parties in the current financial year. We expect to launch our first white-label website shortly and are keen to attract other companies to take up this service.

The directors are confident that betinternet.com can build on the substantial improvements made over the last six months and that both our pari-mutuel and sportsbook businesses are now well positioned for further growth.

Denham Eke
Chairman

Consolidated Profit and Loss Account
for the 26 weeks ending 26 November 2006

	Note	**Unaudited 26 weeks to 26 November 2006 £000**	Unaudited 26 weeks to 27 November 2005 £000	Audited 52 weeks to 28 May 2006 £000
Turnover				
betting stakes received				
Sportsbook		**31,791**	25,092	57,496
Pari-mutuel		**11,812**	3,407	10,073
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Total group turnover	1	**43,603**	28,499	67,569
Cost of sales				
Winnings paid and bets laid off	1	**(42,084)**	(27,411)	(65,246)
Net betting duty paid	1	**(1)**	(15)	(58)
		----------	----------	----------
Gross profit	1	**1,518**	1,073	2,265
Administration expenses		**(1,386)**	(1,672)	(3,320)
Other operating income	2	**50**	-	-
		----------	----------	----------
Earnings before interest,tax,depreciation and amortisation		**182**	(599)	(1,055)
Depreciation		**(89)**	(146)	(268)
Share based costs		**(16)**	-	-
Amortisation of goodwill		**(43)**	(250)	(498)
		----------	----------	----------
Total operating profit / (loss)		**34**	(995)	(1,821)
Interest		**16**	2	(83)
		----------	----------	----------
Profit / (loss) on ordinary activities before and after taxation and retained profit / (loss) for the year		**50**	(993)	(1,904)
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Basic profit / (loss) per share (pence)	4	**0.02**	(0.66)	(1.18)
Diluted profit / (loss) per share (pence)	4	**0.02**	(0.66)	(1.18)

Consolidated Balance Sheet
for the 26 weeks ending 26 November 2006

	Note	**Unaudited 26 November 2006 £000**	Unaudited 27 November 2005 £000	Audited 28 May 2006 £000
Fixed assets				
Intangible assets		**-**	291	43
Tangible assets		**269**	400	224
Investments		**271**	145	271
		540	836	538
Current assets				
Debtors		**688**	443	549
Cash at bank and in hand	6	**409**	849	458
		1,097	1,292	1,007
Creditors				
Amounts falling due within one year		**(1,516)**	(2,864)	(1,490)
Net current liabilities		**(419)**	(1,572)	(483)
Total assets less current liabilities		**121**	(736)	55
Creditors				
Amounts falling due after more than one year		**-**	(99)	-
Net assets / (liabilities)		**121**	(835)	55
Capital and reserves				
Called up share capital		**1,969**	1,505	1,969
Share premium		**9,550**	8,213	9,550
Profit and loss account		**(11,398)**	(10,553)	(11,464)
Equity shareholders' funds		**121**	(835)	55

Consolidated Cash Flow Statement
for the 26 weeks ending 26 November 2006

	Note	**Unaudited 26 weeks to 26 November 2006 £000**	Unaudited 26 weeks to 27 November 2005 £000	Audited 52 weeks to 28 May 2006 £000
Net cash inflow / (outflow) from operating activities	5	**38**	93	(1,467)
Returns on investments and servicing of finance		**16**	2	(83)
Acquisition of tangible fixed assets		**(134)**	(195)	(141)
Acquisition of investments		**-**	(63)	(188)
Cash outflow before use of liquid resources and financing		**(80)**	(163)	(1,879)
Financing				
Issue of convertible loan		**-**	36	-
Share issue		**-**	-	1,738
Decrease in cash during the period	6	**(80)**	(127)	(141)

Reconciliation of net cash flow to movement in net funds		**26 November 2006 £000**	27 November 2005 £000	28 May 2006 £000
Operating net funds		**338**	479	479
Decrease in cash during the period		**(80)**	(127)	(141)
Closing net funds	6	**258**	352	338

Notes to the Accounts
for the 26 weeks ending 26 November 2006

1 Segmental Analysis

26 weeks to 26 November 2006	**Sportsbook £000**	**Pari-mutuel £000**	**Total £000**
Betting stakes received	**31,791**	**11,812**	**43,603**
Winnings paid and bets laid off	**(31,021)**	**(11,063)**	**(42,084)**
Net Betting duty paid	**10**	**(11)**	**(1)**
Gross profit	**780**	**738**	**1,518**
Margin	**2.5%**	**6.2%**	**3.5%**

26 weeks to 27 November 2005	**Sportsbook £000**	**Pari-Mutuel £000**	**Total £000**
Betting stakes received	25,092	3,407	28,499
Winning paid and bets laid off	(24,546)	(2,865)	(27,411)
Betting duty paid	(14)	(1)	(15)
Gross profit	532	541	1,073
Margin	2.1%	15.9%	3.8%

2 Other operating income

Other operating income has arisen on the disposal of a 25% interest in Isle of Man Tote Limited, a pari-mutuel operation and consists of a dividend of £25k prior to the sale and £25k on the disposal of shares.

3 Taxation

No provision for taxation is required as the company is subject to a 0% Isle of Man income tax charge on its gaming activities.

4 Profit per share

The basic and diluted earnings per share calculation is based on the profit for the period after taxation of £50,157 (2005 loss of £992,529) and the weighted average number of shares in issue throughout the period of 196,944,179 (2005: 150,461,402) ordinary 1p shares and fully diluted average number of shares of 200,866,238 (2005 : 150,461,402) ordinary 1p shares.

5 Reconciliation of operating profit to net cash inflow / (outflow) from operating activities

	Unaudited 26 weeks to 26 November 2006 £000	Unaudited 26 weeks to 27 November 2005 £000	Audited 52weeks to 28 May 2006 £000
Operating profit / (loss)	**34**	(995)	(1,821)
Share based costs	**16**	-	-
Depreciation and amortisation charges	**132**	396	766
Increase in debtors	**(139)**	(236)	(342)
(Decrease) / increase in creditors	**(5)**	928	(70)
Net cash inflow from operating activities	**38**	93	(1,467)

6 Analysis of net funds

	Audited At 28 May 2006 £000	Cash Flow £000	Unaudited At 26 November 2006 £000
Cash in hand and at bank	458	(49)	**409**
Bank overdraft	(120)	(31)	**(151)**
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	338	(80)	**258**
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7 Basis of preparation of the financial statements

The results for the period ended 26 November 2006 are prepared in accordance with applicable accounting standards, using the same accounting policies as set out in the group accounts for the year ended 28 May 2006 with the exception of FRS 20 – share based payments, which has been adopted in the period under review.

The fair value of share options granted is recognised as an employee expense with corresponding increase in equity. Fair value has been determined using the Black Scholes model. There is no charge to the prior year.

The interim statements are unaudited, but have been reviewed in accordance with Auditing Practices Board guidance by the Auditors, KPMG Audit LLC.

The directors have considered the adequacy of the cash resources and working capital available to the group for the next twelve months and are satisfied that the group has adequate resources to meet its obligations as they fall due. On this basis the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

8 Other information

(i) The comparatives for the 52 weeks ended 28 May 2006 are not the Company's statutory accounts for that financial period. Those accounts have been reported on by the Company's auditors and delivered to the Companies Registry. The report of the auditors was unqualified.

(ii) All profits derive from continuing activities.

(iii) The interim statement was approved by the board on 1st February 2007.

(iv) The interim report is expected to be posted to shareholders on 16 February 2007 and will be available from that date, free of charge, for one month at the Company's Registered Office; Viking House, Nelson Street, Douglas, Isle of Man IM1 2AH.

(v) The Company's nominated advisor and broker is Evolution Securities, Kings House, 1 King Street, Leeds LS1 2HH

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